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ZHIVKOV REVIEWS RESULTS OF TALKS WITH KARAMANLIS

AT152038 Athens Domestic Service in Greek 1930 GMT 15 Oct 80

[Report on Greek radio and television correspondent Aris Xipolitidhis' interview with State Council Chairman Todor Zhivkov in Sofia on 16 October]

[Text] In reply to the question of what the visit by the president of the Greek Republic to Sofia had now guaranteed, Zhivkov said:

[Begin Zhivkov recording in Bulgarian with superimposed Greek translation] If we must characterize with a few words the visit of my friend, President of the Greek Republic Karamanlis, we must say that it has been fruitfuil, friendly and good neighborly. [end recording]

In reply to another question as to whether he had anything to add to what was said in the joint communique--on the results of the talks--the Bulgarian State Council said:

[Begin Zhivkov recording] As you yourselves have seen, Karamanlis' visit became a splendid demonstration of Greek-Bulgarian friendship and cooperation and strongly manifested the respect and love of our people toward the neighboring Greek people, and the respect and love of our people toward the neighboring Greek people, and the respect and love our people personally have for Karamanlis who has decisively contributed to the current favorable situation in Greek-Bulgarian relations.

Regarding the results of our talks on bilateral relations, I must say that they have been exceptionally favorable. We noted new ways and forms for developing economic and cultural cooperation between our two countries and cooperating in other sectors. I am most deeply convinced responsible Greek and Bulgarian organs will do everything necessary so that these new ways which we have charted with Karamanlis will be followed in life as well.

I wish to stress one more point on the results of the president's visit: that it constitutes a realistic contribution to the further strengthening of the atmosphere of understanding and coopeation in our area. It also constitutes a contribution to the common struggle of humanity for a just and permanent peace. Finally, I want to take advantage of this interview to once again relate my most sincere greetings and wishes to the Greek people for happiness and prosperity. [end recording]

TRADE UNIONISTS SIGN PROTOCOL WITH FRG COUNTERPARTS

AU161502 Sofia BTA in English 1338 GMT 16 Oct 80

[Text] Sofia 16 Oct (BTA)--Trade unionists of the Central Council of the Bulgarian Trade Unions (BTU) and the Deutscher Gewerkschaftsbund (DGB) had three-day discussions on the role of the trade unions of Bulgaria and the Federal Republic of Germany for expanding the trade and economic cooperation between the two countries.

At the joint economy seminar held in Sofia, October 14th through 16th, views and proposals were exchanged for increasing the scope and the improvement of the structure of bilateral trade and economic relations and on the role of the two countries' trade unions for furthering and expanding these relations.

The participants in the seminar, including Georgi Evgeniev, deputy chairman of the BTU Central Council, and (Alois Pfeifer), member of the DGB executive board, emphasized that the deepening of trade and economic cooperation between Bulgaria and the FRG is an important aspect of the materialization of the process of detente and consolidating peace and security on the European continent and a major factor for the development of the East-West cooperation. It is stipulated in the final protocol signed that the trade unions can make a specific contribution to the still wider development of the cooperation between Bulgaria and the FRG in the field of the economy, science and technology.

"The seminar is a fresh step towards the deepening of our relations and towards dispersing the mistrust between the East and the West," Mr (Alois Pfeifer) told a BTA representative.

ZHIVKOV RECEIVES MONGOLIAN AMBASSADOR

AU161939 Sofia BTA in English 1840 GMT 16 Oct 80

[Text] Sofia, 16 Oct (BTA)--Today Mr Todor Zhivkov, president of the Bulgarian State Council, received the newly-appointed Mongolian ambassador here, Mr (Buuralin Jadamba), who presented his credentials.

"Bulgaria and Mongolia, jointly with the Soviet Union and the other socialist community countries, will proceed to contribute to relaxation of international tension, to consolidation of peace, security and cooperation in the world," said Mr Todor Zhivkov at the ceremony.

He underlined his confidence that the two countries will continue their cooperation in all spheres of life and will continue to seek new forms of deepening bilateral contacts.

The Mongolian ambassador stressed on his part that fraternal friendship and close cooperation between the BCP and the Mongolian People's Revolutionary Party, the two states and the two nations, based on principles of Marxism-Leninism and socialist internationalism, fully comply with the interests of the Mongolian and the Bulgarian peoples.

ZHIVKOV RECEIVES NEW LAOTIAN AMBASSADOR

AU161935 Sofia BTA in English 1847 GMT 16 Oct 80

[Text] Sofia, 16 Oct (BTA)--Today Mr Todor Zhivkov, president of the State Council, received the newly-appointed ambassador of Laos to Bulgaria, Mr Vanthong Sengmuang.

Accepting his credentials, the Bulgarian leader underlined the common determination of Bulgaria and Laos to advance shoulder in shoulder with the Soviet Union and the other socialist community countries, reflected in the documents signed during the visit of Mr Kaysone Phomvihan in Bulgaria in 1976 and of a Bulgarian party and state delegation in Laos in 1979.

He laid emphasis on the importance of the friendship and cooperation treaty signed a year ago, who raised to a new stage the development of the traditional fraternal relations between the two countries--relations based on principles of Marxism-Leninism and proletarian internationalism.

Dwelling on the struggle of Laotian people in the past 30 years against the French and the American imperialism, the Laotian ambassador to Bulgaria said: "The Laotian people are fighting now against the subversive activity of the greater state hegemonists of Beijing and at the same time are directing their efforts at socialist construction and changes."

He stressed the gratitude of the Laotian people to the BCP, the Bulgarian Government and the Bulgarian people for the great support rendered to them.

LUKANOV MEETS ROMANIA'S RAUTU FOR COOPERATION TALKS

AU161718 Sofia BTA in English 1447 GMT 16 Oct 80

[Text] Sofia, 16 Oct (BTA)--A meeting between the candidate-member of the Politburo of the CC of the BCP and deputy-chairman of the Ministerial Council of Bulgaria, Mr Andrey Lukanov, chairman of the Bulgarian side of the Bulgaro-Romanian Commission for Economic, Scientific and Technological Cooperation, and the member of the Political Executive Committee of the CC of the Romanian Communist Party, Mr Leonte Rautu, chairman of the Romanian side of the same committee, was held today.

The two sides stated that bilateral agreements are being implemented successfully and outline extra initiatives for the further expansion of bilateral trade and economic contacts.

The talks proceeded in a cordial and friendly atmosphere.

HUSAK RECEIVES WARSAW PACT'S KULIKOV, GRIBKOV

LD161718 Prague CTK in English 1600 GMT 16 Oct 80

[Text] Prague, 16 Oct (CETEKA)--Party General Secretary and President of Czechoslovakia Gustav Husak received on Thursday Marshal of the Soviet Union Viktor Kulikov, commander in chief of the Joint Armed Forces of the Warsaw Treaty member states, who briefed the president on the results of a session of the Joint Armed Forces Military Council in Prague these days.

Also received by the president was Army General Anatoliy Gribkov, chief of staff of the Warsaw Treaty Joint Armed Forces, and other leading armed forces representatives of the Warsaw Treaty states who attended the Prague session.

During the meeting, held in a cordial and friendly atmosphere, Gustav Husak emphasized the significance of the indestructible class and combat ties between the Warsaw Treaty armies which are a reliable safeguard of peace and security of our nations. It is necessary to do everything for the preservation of a lasting peace and at the same time not to let up in constantly improving the defence of the socialist system of our countries, Gustav Husak added.

He thanked Marshal Viktor Kulikov and the Military Council members for the cooperation and assistance the joint command of the Warsaw Treaty states' armed forces is giving the Czechoslovak People's Army in increasing its combat strength and preparedness for the defence of socialism.

RUDE PRAVO SCORES FRG REACTION TO GDR CURRENCY REGULATIONS

LD131030 Prague CTK in English 0933 GMT 13 Oct 80

[Text] Prague, 13 Oct (CTK)--The decision of the GDR Finance Ministry on compulsory foreign currency exchange by visitors permanently resident in the non-socialist countries has given rise to a hateful campaign in West Berlin and West Germany against the GDR, RUDE PRAVO wrote today.

"This step, which does not run counter to any international agreement, is aimed at safeguarding stability of the GDR currency towards Western currencies, whose value--as is widely known even in the West--is continuously decreased by inflation and price growth," the daily said. The paper pointed out that most affected by the new measures have been various blackmarketeers and speculators, who used to exchange one West German Mark (DM) for five GDR Marks (M), although the official rate of exchange is 1M: 1.29 DM.

"Sounding their protests are now particularly the seditious Springer press, West German bourgeois mass media and officials, such as mayor of West Berlin Stobbe, and some West German politicians. For them personally, as for representatives of capitalist circles with fat incomes, only speculation with currency would not be of much use if it was not part of much more dangerous machinations: interference in internal affairs of other states, attempts to disrupt the socialist economy, to torpedo the efforts for peaceful cooperation on an equal footing. They have again admitted this now, although indirectly," the paper said.

WEEKLY ASSAILS 'BOURGEOIS' CAMPAIGN FOR JULIUS TOMIN

LD162305 Prague CTK in English 1720 GMT 16 Oct 80

[Text] Prague, 16 Oct (CETEKA)--The campaign intentionally stirred up by the bourgeois press around the so-called Tomin case with the aim to denigrate Socialist Czechoslovakia does not in the least benfit understanding and friendship between nations is in stark contrast to the Helsinki conference Final Act. [sentence as received]

This point was stressed by TVORBA, the weekly for politics, science and culture in its latest issue.

Julius Tomin, set by bourgeois propaganda on the pedestal of a "persecuted and renowned philosopher" and even "professor of Charles University" does not actually have the necessary qualifications for such activity. Although the Czechoslovak state enabled him to sign for the several-year preparation to gain the title of candidate of sciences he has not successfully defended his thesis. Nor has he published any major scientific work and his bibliography contains no more than two treatises of little importance. In spite of this he demanded to be called to the university for the Academy of Sciences in place of philosophers working there. When he was assigned within due bounds he took up the idea of establishing his own "university". He intentionally speculated that his action would cause a conflict with the authorities (founding of universities has its legal conditions), which was supposed to provide him with the desired reputation of a "persecuted philosopher".

TVORBA also carried an extensive reply of Academician Radovan Richta, director of the Philosophy and Sociology Institute and member of the Czechoslovak Academy of Sciences Presidium, to a letter from Professor A. Diemer, president of the International Federation of Societies of Philosophy (FISP) concerning Julius Tomin. Enclosed with the letter of the FISP president were pamphlets unworthy of discussion and offending Czechoslovakia and its scientists.

Academician Richta wrote that this is a disgusting political campaign which is to divert attention, in connection with the Madrid meeting, from the main problem of the discussions--i.e. further development of peaceful cooperation.

Development of philosophical thinking requires to observe certain rules of fair debate based on truthful and competent information. This principle has been flagrantly violated by gentlemen who, without perhaps just asking their colleagues, the Czechoslovak philosophers, lent their name for the purely political actions of the circles which have nothing in common with philosophy.

Academician Richta asked whether it is not the Czechoslovak philosophical community which would have the right to protest against the violation of the spirit and letter of the Helsinki conference Final Act. He added that Prague, which has one of the oldest and most famous universities in the world in its Charles University, need not rely on self-appointed people who do not have the qualifications to guide young intelligentsia.

FURTHER REPORTAGE ON 7-9 OCTOBER CPCZ CENTRAL COMMITTEE SESSION

Strougal Report

AU111520 Bratislava PRAVDA in Slovak 9 Oct 80 pp 3-6

[Report of the CPCZ Central Committee Presidium "On the State of Work and Major Problems Pertaining to the Preparation of the Seventh 5-Year Plan of Economic and Social Development," delivered by Lubomir Strougal, CPCZ Central Committee Presidium member and CSSR premier, at the 18th CPCZ Central Committee plenum in Prague on 7 October]

[Text] Comrades!

Comrade Gustav Husak, general secretary of the CPCZ Central Committe has submitted to today's session a proposal to convene the 16th congress of our party. We are thus entering a period of immediate preparations for the congress, a period which will have to be filled by intensive and active organizational and political-educational work by all party, state, social and economic bodies and organizations.

A review of the results we have achieved since the 15th party congress in implementing our party's economic and social policy is an integral part of these preparations. These results have enabled us to duly appreciate the devoted work of our people, which is a manifestation of their confidence in the policy of the CPCZ and which also reflects that which is most valuable--the awareness that they are the masters of this country, the awareness that they are working in their own enterprises and for their own benefit. At the same time it is important to make a sober yet demanding assessment of our own possibilities, resources and potentials and--taking into account the development trends in the world--to determine the content, targets and paths of the party's economic and social policy for the coming period.

The Central Committee, party bodies and organizations have accumulated a great deal of valuable experience between the 15th and 16th congresses which, once it is thoroughly summed up and generalized, will make it possible to draw conclusions for their further activity for the good of the people, for the further enhancement of Socialist Czechoslovakia.

At individual sessions of the party's Central Committee we discussed the basic questions concerning the economic policy formulated by the 15th congress and approved the ways of implementing it, taking into consideration our future needs and conditions as well as objective development trends. The conclusions we have adopted to develop engineering and metallurgy, the agriculture-food industry complex, scientific-technical progress, the domestic market and other areas, go beyond the framework of the period between the two congresses. They detail the congress resolutions for the individual sectors of national economic activity and constitute a foundation for the evaluation of the sectors' results and for the economic and social policy that is to be formulated by the 16th party congress. That is why we are turning to them again now, at the time of preparations of the draft directive for the Seventh 5-Year Plan.

The CPCZ Central Committee Presidium began to deal intensively with the preparation of the Seventh 5-Year Plan last year. This April it then evaluated the directives for the elaboration of the draft 5-year plan for the 1981-1985 period.

As a point of departure we used the analysis of our economic development heretofore and the conditions of international cooperation within the socialist community with which it is possible to realistically reckon in the coming stage. We assessed several issues pertaining to concepts, especially as far as the fuel-power complex, investment construction, agriculture, foreign economic relations and some important production sectors are concerned. We completed talks on the coordination of national economic plans with the Soviet Union and other CEMA member countries.

At present we are completing the work on the state executive plan for next year and have entered another stage of drawing up the draft directive for the Seventh 5-Year Plan.

The CPCZ Central Committee Presidium considers it correct and necessary to inform you on the state of this work and to assess at this session the major intention and problems connected with the preparation of the draft directive of economic and social development for the 1981-1985 period, a draft directive that is to be submitted to the party's 16th congress. In this context it is also essential to detail the imminent tasks of party, state, social and economic organizations in the period of congress preparations.

The work on the draft plan for the seventh 5-year period is entering a stage in which it is necessary that the Central Committee, party bodies and organizations and all working people take an active part in the assessment of our possibilities, our problems and their causes and our plans for the coming period.

The preparation of the next 5-year plan cannot be a matter concerning just the management staffs of enterprises, economic production units [EPU's] and ministries, all the more since the set of measures for improving planned management will go into effect at the beginning of next year. The reinforcement of the role of the plan at all levels of management is part of the set of measures and, literally, its backbone. The quality of the work on the plan and the mutual links between the individual components of the plan will determine the rhythm, regularity and certainty in the relations among enterprises, sectors and branches.

We regard the working people's active participation in the creation of the plan as an essential prerequisite for improving the quality of the planning process. That is also why we introduce counterplanning, to enable the broadest possible circle of working people, especially collectives engaged in competition--brigades of socialist labor, comprehensive rationalization brigades, innovators and inventors--to help uncover reserves and seek ways toward more thriftiness, higher effectiveness and better performance.

It is necessary to strive for the participation of the working people in the preparation of the Seventh 5-Year Plan also because the new situation and the more exacting conditions require today--and will also require in the years to come--greater efforts, more and better work and more devotion and responsibility.

We proceed from the premise that the main purpose and objective of all our activity and all our efforts is the steady improvement of the working and living conditions of the citizens of our country and a further consolidation of their social security. While pursuing these goals we are realistic and strive to be sober in formulating the targets and tasks for the coming period.

At the same time we proceed from the fact that to bring about our plans in the seventh 5-year period it will be necessary to make full use of the opportunities provided by the existing level of the material-technical base and to utilize all reserves that can be mobilized in the production process, in the qualification, abilities and initiatives of the people, in international socialist division of labor, in the application of results of scientific-technical development and, above all, in the management of the national economy.

In that respect we will rely on the conscious approach on the part of the working people to the policy of our party and on their initiative developed in honor of the 16th congress and the 60th anniversary of the founding of the CPCZ. We simply want to make use of all possibilities to be able to submit to the congress an exacting, realistic draft directive of our society's economic and social development for the next 5 years.

The Results of the Fulfillment of the Major Targets of the 15th Congress

Comrades!

The Central Committee session is taking place at a time when we are able to evaluate with a relatively high degree of precision the results we are achieving in implementing the basic targets set by our party's 15th congress. As the analysis shows, we can justly emphasize the circumstance that under complicated conditions the development of our economy and the growth of our country's economic potential has continued. The national income will be 20 percent higher than at the beginning of the Sixth 5-Year Plan.

The value of basic assets will grow, compared with the last year of the Fifth 5-Year Plan, by 31 percent and will reach Kcs2.5 billion this year. Within the same period of time the equipping of working people with basic assets will increase 41 percent; of this, the equipping with machinery will increase 42 percent. The volume of industrial production will increase by one-fourth and the volume of construction work by 28 percent.

The necessary changes in the structure of the economy continue as planned. The role of engineering has been strengthened; its production will increase by almost two-fifths in comparison with 1975. Production of the chemical industry will increase by almost one-third. The production in sectors belonging to the category of so-called development programs is increasing at an even faster rate--by almost one-half. We have made progress in the production of computer technology, have mastered the production of numerically controlled machine tools and the pipe [rurkovy] program and have developed production of installations for nuclear power plants, of machines for the processing of plastic materials and rubber and of semiconductor and light-current technology. We have doubled the production of plastic materials. We have also utilized domestic raw material and fuel-energy resources better than was the case in the fifth 5-year period.

The structure of the fuel-power base has undergone a complicated process, a process that is very demanding in terms of costs. Since 1974 we have been oriented toward the use of our own resources, particularly solid fuels and nuclear power. While in the past 5-year plan domestic resources had a share of less than 6 percent in the increase of energy resources, in the current 5-year plan the share will grow roughly to 20 percent.

We have invested Kcs71 billion in the sector of fuels and power. The share of invested means, which in the Fifth 5-Year Plan amounted to 22 percent of all industrial investments, will thus reach 27 percent in the current 5-year plan.

This made it possible to acquire new facilities for the extraction of almost 15 million tons of coal a year, to put into operation almost 4,500 megawatts of powerplant output, continue the construction of the nuclear power plants in Jaslovske Bohunice and Dukovany and of hydroelectric plants in Dalesice and Cierny Vah and to build the transit gas pipeline and subterranean gas reservoirs. We have also managed to cope successfully with the tasks in the construction of the Orenburg gas pipeline in the Soviet Union.

Some of these great investments have already yielded fruit in the course of the current 5-year plan but their decisive contribution will be to ensure our future development in this so vitally important area.

Agricultural production will increase by 9 percent on average in the Sixth 5-Year Plan, compared with the previous period, with the production of cereals alone by 3.7 million tons. It is also a positive fact that the intensity of agricultural production has increased about 10 percent and labor productivity by more than 20 percent.

At present each agricultural employee ensures food for about 15 people, compared with 12 people 10 years ago. This, too, is evidence that we have continued to enhance the industrial character of agricultural production. In the course of the Sixth 5-Year Plan Czechoslovakia has further intensified its participation in the international division of labor. That is also corroborated by the growing foreign trade turnover, which will increase by two-thirds between 1976 and 1980. It is natural--and corresponds to our interests--that the share of trade and economic cooperation with the CEMA countries has increased from 66 to 67.2 percent this year.

Despite the mounting complexities in our national economy, we have been gradually implementing the main aims set by the 15th party congress for the further balanced growth of living standards. We have achieved a relatively high degree of the satisfaction of people's material and intellectual needs, which is borne out of many data.

The monetary income of the population will grow 23 percent. The average monthly wage will amount to Kcs2,643 and will thus be almost 15 percent higher than in 1975. We consider it important that in 1978 the income level of cooperative farmers has been matched with that of employees in the other branches of the national economy. We have increased allocations for the pension funds and allowances for families with children. As a result the share of social money income has further increased and amounts to 19 percent of the population's overall revenues.

In the course of the 5-year plan the sale of goods in retail trade has increased more than 21 percent in terms of current prices.

In the last period we had been forced especially as a consequence of the increase in the prices of foodstuffs and raw and other materials as well as of the rising costs in obtaining fuels and energy, to adjust the retail prices of some types of goods. As far as industrial goods, including fuels and energy, are concerned they have increased on the aggregate 16 percent. As regards foodstuffs, the price adjustments concerned, apart from potatoes, only coffee, chocolate, wine and liquor. The price increase represents 6.5 percent on the whole.

It must be added that in the course of the past 25 years the prices for basic foodstuffs in our country--bread, flour, meat, milk, fats and eggs--have remained unchanged, while within the same period the income of the population has increased 3.8 fold.

The price adjustments mentioned above, including changes in the prices of some services such as postal and telephone fees, have resulted in an increase of the cost of living by about 10 percent. By international standards, considering the development in the second half of the seventies, this is a result which many other countries with advanced economy were not able to achieve.

We have also recorded progress in the structure of the population's nutrition. As regards meat, its average annual consumption per capita will reach almost 85 kilograms this year, which represents an increase of 4.8 percent in the 5-year plan. The sale of passenger cars will increase by more than 14 percent, and 43 out of 100 families will own a car of their own. At the beginning of the 5-year plan 30 out of 100 families owned a car. The households' saturation with washing machines and television sets is virtually complete. The data on per capita consumption show that as regards all basic types of foodstuffs, clothing and household goods we have achieved a good average, which is fully comparable with other industrially advanced countries.

In the past period our citizens have been making substantially greater use of recreation at home and abroad. In the last few years more than 10 million citizens have been traveling abroad every year and Czechoslovakia was visited by almost 20 million foreign visitors annually.

It is generally known that in its care for families and children our country occupies a foremost place in international comparison. That applies to the length of paid maternity leave as well as to the amount of children's allowances, loans to young married couples, the development of kindergartens and nurseries and so forth.

To give an example, while allocations for mother and child care in the Fifth 5-Year Plan amounted to Kcs59 billion, in the current 5-year plan it will be almost Kcs76 billion, which is 28 percent more. In 1975, 67 percent of all children in the pertinent age category were placed in kindergartens. This year it is more than 80 percent.

The same applies to services, which are extended to our citizens either free of charge or overwhelmingly from social resources: health care, education, culture, housing economy, transportation and other areas. The expenditures earmarked for these purposes have increased by one-third in the current 5-year plan. The expenditures for education, culture and health care alone amount to roughly Kcs50 billion this year, compared with Kcs38 billion in 1975. That means that social consumption funds are taking an ever increasing part in satisfying the population's overall needs. Whereas in 1970 there were Kcs446 of revenue from social consumption for every Kcs1,000 of revenue from work, this year the sum will reach Kcs550.

These facts are a manifestation of the party's and the socialist state's concern for the consolidation of our citizens' social security.

The current 5-year plan is also characterized by an upsurge in housing construction as well as by the further improvement of the general standards of housing. The number of newly built apartments will reach 640,000, which is 25,000 more than in the preceding 5-year plan-

We also must not forget that in the past period a number of new issues came to the fore, issues connected with the conditions of people's life and work such as the protection of the living environment and improvement of the working environment. They constitute an integral part of living standards and of the formation of a socialist way of life and have required considerable means.

In accord with our aims, the years of the Sixth 5-Year Plan have been marked by an intensive solution of the basic problems in the North Bohemian Region, in Prague and in Bratislava. We will spend Kcs75 billion on investment projects in the North Bohemian Region in this 5-year plan. We have used the money to build decisive fuel-power facilities; build the new city of Most, the construction of which has been almost completed; reconstruct designated roads; electrify major railroad routes; and enable the citizens of North Bohemia to move into more than 58,000 new apartments. A large portion of the new apartments replaces, however, the housing in towns and villages that had to give way to coal extraction.

In the capital city of the republic, Prague, extensive investment programs will amount to almost Kcs80 billion. Among the most important programs is the construction of more than 50,000 apartments, the extension of subway routes from less than 7 [in 1975] to more than 20 kilometers, the construction of the basic communications system and other important projects. Bratislava will acquire new facilities worth Kcs34 billion.

We have also allocated considerable means for public construction projects built by our citizens within the Z-action [community self-help]. The value of these projects will be Kcs24 billion.

These and further results of our common work have contributed to increasing the national health. Absolutely undeniably, they are a source of our pride and strength and document that it is possible to come to terms with current problems and with the tasks of the coming period.

Despite all the positive results, however, we have not managed to achieve everything as we intended and anticipated. A preliminary appraisal of the overall results of the Sixth 5-Year Plan reveals that certain tasks laid down by the 15th congress will not be completely fulfilled.

Wherein do we see the reasons for it?

In the effort to continue, following up the results of the Fifth 5-Year Plan, to dynamically develop the economy with the aim of improving the trade balance with the capitalist states we adopted exacting tasks for the current 5-year plan. Their fulfillment was dependent on the achievement of pronounced changes in the quality of all work and in the overall effectiveness of economic growth. The concept that was adopted seemed to be feasible, considering the previous development of our national economy and the situation in foreign economic relations existing at that time.

However, while implementing the concept we have not achieved the planned growth of effectiveness, nor--for that very reason--the envisaged growth of national income.

In that respect the chief role was played by the fact that ministries, EPU's and enterprises failed to cope with the high demands placed by the production process on energy, raw material, manpower and investment resources, by their inefficient utilization of these resources and by their inability to adapt to the new complicated conditions.

The lower decline of production's consumption than originally planned represented in the first 4 years of this 5-year plan Kcs35 billion, which affected the growth of national income. The wage requirements for the creation of the national income were also higher than planned and, with the lower pace of development, we did not fulfill the targets in the growth of labor productivity.

The construction sector, too, is not fulfilling its tasks, as far as the volume and structure of construction work is concerned. For the 5-year plan the shortfall will amount to Kcs20 billion.

Naturally, 2 years with adverse climatic conditions, which were reflected particularly in plant production, have also had a significant impact. Contrary to original intentions we had to import a considerable quantity of grain from capitalist states, and that at a time when the price was rising.

We responded to these facts at individual sessions of the Central Committee and adopted several measures, especially when discussing and drawing up the annual plans. We have been orienting them toward a better utilization of resources, higher exports and a reduction of imports. Part of these measures were also decisions that led to a reduction of the growth rates of production, to a limitation of investment projects and to a reduction in the use of the national income in general. Our internal problems cannot be divorced from changes in the world economy. They are an objective reality and will continue. They concern all areas of our reproduction process. We must respond to them by enhancing the role of the subjective factor--by mobilizing all internal reserves. That applies, above all, to the standard of planning and managerial activity: to central bodies--the State Planning Commission, the planning commissions of the national governments and the ministries in charge of technological and investment development, finance and foreign trade--as well as to the managerial activity of the sector ministries and EPU's.

The Basic Directions of the Draft Seventh 5-Year Plan

It follows clearly from that which has been briefly said about shortcomings and their causes (they will be elaborated in greater detail in the following parts of the report) that in the coming period we will have to enforce with greater determination the transition toward the utilization of intensive factors of economic growth, especially technical development. That is the only possible option and a necessity because we want neither stagnation in our development nor to live at the expense of future generations.

This provides the basis of the preliminary directives for the elaboration of the draft plan for the next 5-year plan as discussed by the CPCZ Central Committee Presidium and the federal and national governments this April.

What do we place special emphasis on; on what do we base our concepts of socioeconomic development for the next 5-year period?

First--on a substantially improved utilization of power, raw and other materials, basic assets and human labor.

This requirement is based on the fact that future development will take place solely in a situation of extremely limited possibilities for expanding our own raw material and energy resources, despite a high concentration of capital goods funds. Imports of raw materials, fuels and energy from the socialist states will remain roughly at this year's level. An increase of these resources is possible, for the most part, only through imports from nonsocialist countries, and that only in the event of higher exports than those envisaged in the draft directive. However, even the export tasks set by the draft directive are very demanding and it does not seem realistic that they will be exceeded. The same applies fully to foodstuffs and agricultural raw materials.

The decline in the growth rates of the national income taking place in the last few years is caused, as has already been said, primarily by the fact that our plants, enterprises and EPU's are not achieving a substantially better utilization of energy, raw and other materials and other production factors.

It is true that for a number of years now we have been succeeding in reducing to a certain degree production's demands on energy. This trend must be, however, substantially enhanced because when we compare mechanically--without taking into account various, particularly structural, differences--our production's demand for energy with other advanced economies, it is still 20 to 50 percent higher.

Similar things could be said about the consumption of metals, cement, timber and other materials. It is evident that considerable untapped possibilities for raising the effectiveness of production are hidden behind the high degree of production's consumption.

That is why we will have to improve organization and make full use of all possibilities provided by a planned socialist economy, including the set of measures for improving planned management. The system of plan indexes is oriented precisely toward a better utilization of raw and other materials, toward energy conservation and toward saving transportation and nonproductive costs. The system of plan indexes will make it possible to assess in a better way the actual national economic contribution of each enterprise. The saving of costs will result in an increased volume of actual production, which--in turn--will make it possible for enterprises to increase the wage funds, in accordance with the set normative. To illustrate the point, in the enterprises run by the Ministry of General Engineering the set normatives make it possible to increase the basic component of wages by Kcs0.30-0.38 for each koruna saved in material costs.

However, it has transpired that several EPU's and enterprises have not sufficiently projected this aspect of the matter into the draft plans for next year and thus deprived themselves of funds that could be used both for wages and for the enterprises' development. State and economic bodies and party and trade union organizations must ensure that all work collectives and individuals have definite information about the draft plan, including the set of measures, so that they know what it means for them when, by their work, they contribute to conserving energy and raw and other materials and to their better utilization.

A significant reserve also consists in a better utilization of basic assets. In the first half of the seventies their production effectiveness was stagnating and in the current 5-year plan it has even declined. In spite of that, the demands of EPU's, enterprises and national committees for new investment and for imports of technological installations are steadily growing. That is also caused by a state of affairs in which the development of investment construction is effected, to a large degree, independently of the results achieved in the use of basic assets. The new measures contained in the "set," especially the index of the profitability of production assets, are designed to bring about a change of this trend.

The measures also enhance the role of khozraschet [economic accountability] in the investment sector. The enterprises' and EPU's own financial resources, together with bank loans, will be playing a decisive role in financing investments. Subsidies from the state budget will be granted only in exceptional cases.

What is important is to ensure that enterprises find it more advantageous to make use of existing capacities and to modernize and reconstruct them and resort to new investment construction only after exhausting all reserves. We thus want the consequences of investment activity to have a much greater impact than heretofore on the economic effect of enterprises and EPU's. We consider this solution to be the first step toward a more marked improvement of the situation in that area.

Our considerations on the draft plan for the seventh 5-year period are also based on a better use of the labor force. Our present results in that respect are not exactly good. The use of the fund of working hours is constantly declining while the share of overtime work is growing at the same time. Absenteeism caused by illness or accidents amounted to 4.1 percent in 1979, which means that every day 287,000 people were absent from their workplaces. The preliminary data for this year indicate that the situation will be even more negative.

Inconsistent organization are preparation of production, the irregular arrival of materials and subcontractors' deliveries, the irrational growth of overhead costs of some production sectors and, in particular, the slow progess of technical development and of technical standards--these are the fundamental reasons the resolution of the 15th congress on the growth of labor productivity will remain unfulfilled, while average wages will almost reach the planned growth. Whereas in the Fifth 5-Year Plan the average wages in industry grew 0.59 percent for each percentage point in labor productivity growth, in the current 5-year plan they have grown 0.81 percent. More or less the same applies also to the construction sector.

A rational use of manpower is also necessary because in the Seventh 5-Year Plan we can reckon with an employment increase by about 150,000 employees, against an increase by 280,000 in the current 5-year plan. Only about 50 percent of those who will join the labor force will be employed in the sphere of production.

It emerges from our analyses and international comparisons that one can hardly speak in general about a shortage of manpower, as is being constantly pointed out. There is only one solution: The workforce must be better deployed and utilized to the optimum.

It follows clearly from that which has been said about the essential need to make better use of fuels, energy, raw materials, basic assets and manpower tht the mobilization of all noninvestment factors is of considerable significance for our further development. The untapped reserves existing in that respect are great and it will be the task of the economic management but also of party and trade union organizations to systematically uncover these resources and ensure their utilization.

Second, we are basing the concept of the Seventh 5-Year Plan on a broader and more rapid application of scientific-technical progress. It must not be a matter of solving only partial technical tasks. What is needed is an elevation of the technical standard of the decisive parts of production, an elevation of designated sectors and their production. We must realize that the socioeconomic development of society will increasingly depend on whether we will acquire new scientific-technical findings and on how speedily and effectively we will apply them in practice. What is involved is, naturally, not only the application of the work results of our scientific-research base, including basic research by the Czechoslovak Academy of Sciences, which every year solves thousands of tasks, but also a substantial expansion of cooperation with the Soviet Union and other fraternal countries, a well-considered purchase of licenses and, last but not least, the implementation of inventions and improvement proposals, of which we register about 300,000 every year.

So far we have not been making sufficient use of all these resources. The new measures in the system of management encourage the managerial employees of enterprises, EPU's and sectors to actively approach the raising of production's technical standards and to increase the rate of the innovation process.

In the course of this 5-year plan we have put into production tens of thousands of new and innovative products. However, that is still not enough. On top of that, not all of them show a high technical standard and utility value. It is estimated that less than one-fifth of the total number of new products has a quality that comes up to world standards. And that is really too little. But that is not the only thing that matters. After all, what is being appraised in foreign markets is not only the quality of the product itself but also the producer's ability to promptly provide service and spare parts. We know that in some sectors this area has been our weak spot for a long time.

Neither can we be satisfied with the length of the innovation cycle; while it is being constantly reduced in the world, in our country it has remained virtually unchanged throughout the entire 5-year plan and is about twice as long as in other industrially advanced countries. Nowadays the moral [moralni] lifespan of technologically advanced products is only 3 or 4 years in the world. Today we also know that of the present generation of machinery and equipment only 10 to 20 percent at the most will "survive" the present decade--and that applies only to the simplest products placing little demand on research.

From that must be inferred the strategy of our technical policy; we must regroup the research potential in the way of product innovation and very thoughtfully concentrate capacities and resources. After all, given the tough international competition and the unusually fast rate of technological development in the world, we cannot be successful in all areas.

Our experience bears out that not all these issues are yet in the focus of attention of the ranking personnel of ministries, many EPU's and enterprises. And production itself does not manifest sufficiently strong and lasting interest in new products. It is necessary, above all, that the State Planning Commission, the federal Ministry of Technological and Investment Development and the sector ministries substantially improve the method of planning and managing scientific-technical development.

They must strive for it to become the basis and the core of the national economic plan and see to it that it becomes an organic part of the plan at all levels.

The investment funds that have been allocated must be used for that which is most important--for raising the technical and economic standard of production and for accelerating technological innovation.

We are creating prerequisites for eliminating the obstacles standing in the way of such efforts, obstacles such as the index of gross production and other similar indexes that provided little encouragement for introducing science and technology into the production process. Moreover, the measures that have been adopted envisage that the results of technical development will also have a notable impact on the creation and distribution of wage funds.

The basic intentions as regards innovation in designated sectors will be ensured by the state target programs. By means of the price policy we will markedly stimulate new and sophisticated products. At the same time we will see to it that the price is not set by merely adding up the calculated costs and profit or even on a speculative basis but that it proceeds from the price level of comparable products, especially top quality ones.

All that is designed to create conditions for and pressure on a constant innovation of products and on closer links between research and development on the one hand and production on the other.

By means of the changes rooted in the set of measures we want to make sure that the following viewpoints gain ground in the thinking and conduct of our ranking personnel: at all levels of management--our products' greater ability to compete, acceleration of innovation processes and an enhancement of the role of our production enterprises' design and technology departments for asserting progressive solutions as a basis for improving the quality of trade activity.

Besides, it is necessary, in order to substantially raise the share of products of world level, to express more material, social and political appreciation than has been the case so far for those employees whose contribution it is when the utility value of products grows at a faster rate than is customary in our country.

The Concept of the Investment Process and Its Effectiveness

Third--in our considerations about the Seventh 5-Year Plan we are proceeding from the fact that we must substantially improve the entire process of investment and its effectiveness.

Despite many resolutions and measures we are still not succeeding in coping with it satisfactorily. That is true of the federal and national governments, planning commissions and individual sectors as well as of the investors themselves--enterprises and national committees--design organizations, and subcontractors in charge of the delivery of machinery and equipment and of construction work. Greater consistency and the appeal to responsibility are undoubtedly appropriate in that respect.

One-third of construction projects is not being put into operation within the set deadlines. This recurs year after year. In 1978 and 1979 it entailed a considerable production loss, which naturally had the corresponding consequences for exports and domestic needs, including supplier--consignee relations. And it is natural that when we fail to ensure planned production ourselves, we must inevitably import materials and components, purchasing them with a credit or covering them by additional exports of merchandise that was originally designted for the domestic market. What is involved is simply a chain reaction, which will cost us tens of billions of korunas in this 5-year period.

Even though in past years we have restricted the start of new construction projects, it does not yield the required effect. The volume and the number of unfinished projects under construction is still unbearable.

This year 29,400 projects are under construction, 7,709 of them with budgeted costs exceeding Kcs2 million. That understandably makes more difficult the investment and design preparation as well as the activity of those who carry out the construction and technological work. At the same time it freezes funds to an intolerable extent. Here lie great reserves for our overall development.

What must be done in preparing the Seventh 5-Year Plan and the plan for 1981?

Above all, it is necessary to examine again the extent of starting new construction projects and to sanction, already in 1981, only those that have been properly prepared and will bring the greatest effect to the national economy. The structure and the deployment of construction facilities and other subdeliveries must be adjusted to that.

While implementing the aforementioned changes in the extent and structure of investments, sometimes a surplus of construction facilities can occur--especially as regards the groundwork and starting phase of construction projects. However, at the same time we know that for years our construction organizations have been lacking certain professions, especially as regards the final stage. These structural changes within the construction sector must also be dealt with in preparing the Seventh 5-Year Plan.

Furthermore, it is necessary to reexamine whether we should not stop some projects under construction. However, that must be approached prudently and selectively, so that we do not upset the basic proportions of the national economy. It must be said frankly that some investment projects have actually been discontinued or that at several construction sites--I am thinking of projects over Kcs2 million--often only few people are employed who, on top of that, do not have enough material at their disposal and are poorly euipped with technology. Such a practice results in a fragmentation of resources. People, material and technology are not utilized and the construction deadlines are being intolerably procrastinated.

We are fully aware that what is involved is an extremely complex operation, which may--in individual cases--seem ineffective but which should yield economic effect on the whole.

Planning bodies, central investors, EPU's and national committees should submit within a short time proposals for specific action to be taken to reduce the large number of projects that are at present under construction.

When we proceed from the realization that the number of projects simultaneously under construction is unbearable and take into account the lower growth rates of the national income in the Seventh 5-Year Plan, then we must inevitably choose the concept of a proportionate growth of investment projects throughout the entire Seventh 5-Year Plan.

It is being considered in our work so far that the growth of investments should amount to a maximum of 2 percent a year. That is a great change; after all, in the Sixth 5-Year Plan the growth rate has been 4.5 percent and in the Fifth 5-Year Plan even more than 6 percent.

Despite the envisaged reduced dynamics, the volume of investments would still exceed Kcs800 billion in the Seventh 5-Year Plan, which is roughly KCS80 billion more than in the Sixth 5-Year Plan. About two-thirds of the total volume are designated for the production sphere.

We are forced to allocate almost one-third of industrial investments for ensuring needed resources of fuels and power. Priority will also be given to investments that will help us to cover export needs and needs of the domestic market and to investments that will enable us to better utilize and modernize existing capacities, raise labor productivity, reduce the consumption of fuels, power and raw materials and save manpower.

There is an essential need for the number of liquidated workplaces to substantially exceed the number of workplaces created by new construction. Deplorably, for the time being it is the other way round. We view, in particular, the modernization of the basic machine pool and the dismantling of outdated machinery as a way toward achieving that goal.

As far as the nonproduction sphere is concerned, we intend to concentrate investments on comprehensive housing construction and the most important areas of infrastructure, especially in the coal extraction districts of North Bohemia as well as in Prague and Bratislava.

These changes, which must be pushed through, require that we reexamine all previously approved branch, sector and area concepts. At the same time it is necessary to reassess the effectiveness of investments based on these concepts.

Modernization and reconstruction of existing facilities must be, in principle, given priority over new projects. At the same time modernization and reconstruction must not be perceived as steps affecting production partially. It is necessary at ministries and in EPU's to put an end to the practice of dispersing investment funds according to a slogan "to everyone a little" and to concentrate them on a gradual comprehensive modernization of decisive sectors and production lines, whole production facilities, plants and enterprises.

In that respect we demand that the economic organizations work out and coordinate with their superior bodies specific modernization programs.

The demand for thrifty investments and for reducing their overall extent cannot, naturally, avoid the sphere within the administration of national committees. After all, it is impossible to fail to see that in addition to installations that are important and essential, a number of projects of less social importance and less urgency are being carried out, projects which often lack even the prospect of an effective use in the long-term view.

We all will have to consistently and uncompromiseingly oppose pressures being exerted from various sides to increase the volume of investment funds, to include further construction projects in the plan, to make exceptions in project and investment preparations and to import [manpower for] building work, machines and assemblies. It is necessary to take a united and resolute course in that respect.

At the same time it will be necessary that the State Planning Commission, the federal and national Ministries of Technological and Investment Development, Ministries of Finance, the State Bank and other bodies continue their efforts to create further conditions for us to achieve a breakthrough as regards the profitability and effectiveness of investment construction. It is necessary to speedily resolve quesitons such as project invoicing, incentives for cutting short construction deadlines and for reducing the large number of projects simultaneously under construction and so forth.

The measures rooted in the "set" enhance the investors' and subcontractors' economic accountability, implement more consistently economic viewpoints and accentuate the dependence of investments on the creation of profit, on the utilization of the existing basic assets and on fast returnability. These more rigid criteria must be incorporated in the plan and must be observed by the investors and by the State Bank in financing and extending loans for investment construction. When we take a look, for instance, at the draft plans of EPU's and enterprises for the next year, we must state that they underrated the creation of profit. What consequences would it have? Because, according to the new regulations, at least 30 percent of investments are to be convered from profit, it would mean an unbearable limitation of the development programs of some enterprises and EPU's.

That would create undesirable disproportions. That is why individual sector ministries must remedy the situation, in cooperation with the EPU's. EPU's and enterprises must realize that investments and financial funds cannot and will not be allocated automatically and that they must make a profit to be able to afford them.

Also part of the new measures is the enhancement of the role of economic contracts in which both the investor and subcontractor will be economically obligated to complete the project on time. The timely completion will determine the payment of bonuses or imposition of sanctions. This practice is being applied at investment projects being built in our country by foreign firms and it must be said that it has fully proved its worth. The financing of construction projects must be regulated in the same way. The supplier should not be financed on the pay-as-you-go basis, which is the case now, but the respective sums should be paid after the completion of the projects as stipulated in the economic contract or in the sum of technological deliveries. That, too, is in keeping with the principles of the perfected system of management.

To Increase Exports and Expand Socialist Integration

Fourth--the considerations of the CPCZ Central Committee Presidium on the nature, objectives and major tasks of the Seventh 5-Year Plan further proceed from the necessity to raise the export capacity of our economy and to expand and intensify our participation in socialist economic integration.

Trade and payments with the socialist countries will be balanced in the Sixth 5-Year Plan, as has already been said.

The trade balance with nonsocialist countries will be passive. This year there are prerequisites for having a certain edge of exports over imports. In the years to come it will be necessary to carry on that trend, so that we do not exceed the tolerable limit of debts in freely convertible currencies.

We must anticipate a further growth in the prices of energy and raw and other materials in the world. Their purchase on foreign markets is increasingly costly because natural and geological conditions are becoming ever more complex, the transportation routes ever longer and the opening of new deposits requires the construction of a costly infrastructure. That applies to the conditions at home as well as to the socialist countries and the rest of the world.

It is, therefore, an invaluable fact that in the next 5-year plan we will be able to purchase raw materials from the Soviet Union--and primarily from there--and other CEMA countries at considerably lower prices tht those in nonsocialist countries.

In the next 5-year plan, too, the principle will be applied that we will import from the Soviet Union raw and other materials for prices which correspond to the average of prices abroad over the past 5 years. This generous step of the Soviet Union creates possibilities for us to gradually adapt to world market conditions and to make the utmost use of the increasingly more expensive raw and other materials in our production. That is the only way of reducing and gradually eliminating the difference between the price increase of raw materials and the price increase of finished products, a difference which is a universal phenomenon at present. As a country with limited raw material resource and an extensive manufacturing industry, we are naturally palpably affected by that difference.

The basis of the development of our external economic relations in the Seventh 5-Year Plan will reside again in the intensification and expansion of socialist integration with the CEMA member states, particularly with the Soviet Union.

Trade with the CEMA countries has been constantly expanding in the Fifth and Sixth 5-Year Plans. It accounts for 67 percent of Czechoslovakia's overall foreign turnover. The coordination of national economic plans with all member states of CEMA has been, in essence, completed. For the 1981-1985 period these agreements envisage a growth of exports by 29.1 percent and of imports by 22.8 percent. The fastest expansion rate will be registered by our trade with the Soviet Union: Exports will increase 45 percent and imports 37.7 percent.

The results of the coordination of the 5-year plans represent a basic stabilization factor for our development in the Seventh 5-Year Plan. As regards the most important fuels and raw materials, they ensure annual imports at the level of the year 1980, which represents a further increase of these imports when compared with their overall volume in the Sixth 5-Year Plan. At the same time these agreements ensure stable, long-term sales of our products, which is an invaluable fact, considering the complicated present situation of the world economy.

Even though the work on the coordination of national economic plans has ended, the area of relations with socialist countries cannot be regarded as a closed chapter. We must seek further resources for expanding mutual trade and strive to further intensify specialization and cooperation. We must strive for a cooperation that will contribute to technical development, will enrich the range of consumer goods on domestic markets and reduce the undesirable dependence on imports for nonsocialist countries.

Of special importance in that respect is the program of cooperation and specialization agreed upon between Czechoslovakia and the Soviet Union for the period until 1990. Its consistent implementation will make it possible to more markedly concentrate scientific-technical development on major production programs and on a narrower range of products, to raise labor productivity faster and to rationalize production.

A very complicated part of external economic relations is the development of foreign trade with capitalist and developing countries. It is a generally valid rule that imports of raw materials, technology, foodstuffs and consumer goods are dependent on our export capacity. As regards our relations with the nonsocialist world we must also take into consideration our current foreign debts. It is true that two-thirds of them are covered by the loans extended by us in exporting engineering products and by the state's currency reserves. Nevertheless, it is necessary to anticipate that we will have to cover the interest and the repayment for the credits we have obtained by some of our exports. As far as the relations with the capitalist countries are concerned, we are also fully affected by the fast growth of the prices of raw and other materials and subdeliveries which we import from these countries. So far we have not succeeded, and not only we, in offsetting this increase by an equally fast growth of the prices of the exported finished products.

All that creates an essential need for exports to exceed imports. Wherein lie our major export potentials? The present structure of our exports will inevitably change in the Seventh 5-Year Plan. In view of a shortage of metal for domestic consumption, we will be forced to limit exports of metallurgical material. Because we are building new facilities in the paper and pulp and in the timber industries, which we are building with the aim of raising our economy's effectiveness, it will be necessary to limit the increase of timber exports. The requirements of the domestic market will also make it necessary to reduce the growth of exports of consumer goods and some chemical products.

Under these circumstances, the fulfillment of the overall export plans will increasingly depend on our engineering. That is a key task of the future 5-year plan. The active contribution of that branch, the predominance of exports over imports, will play a decisive role in the balances of foreign trade and payments.

At present we are working out anew the question of the extent of exports of engineering products to nonsocialist countries. The need is becoming evident for the growth of engineering exports to be substantially higher than the growth achieved in the Sixth 5-Year Plan.

We proceed from the realization that it is feasible to demand that our engineering, which has at its disposal an extensive production and research-development potential, ensure a substantial increase of exports. In the work on the draft plan for the Seventh 5-Year Period so far we have not succeeded in encountering a positive response to this enjoined task in most EPU's of the engineering sector. It is, therefore, necessary to thoroughly and very specifically work out anew the aforementioned target and to consistently ensure its fulfillment.

While enforcing this basic orientation of our export policy, we must also make use of other available opportunities that could contribute to raising our country's export capacity in the Seventh 5-Year Plan and in the 5-year periods thereafter. Timber constitutes a great raw material wealth. We can gain a great deal by modernizing and reconstructing timber production and by making better use of the facilities of the furniture industry. The glass and ceramics industries, which have at their disposal a domestic raw material base, are also reassessing their concepts with the aim of increasing exports, especially as far as those products are concerned which we sell profitably at foreign markets.

As regards other possible foreign currency resources, we must not neglect tourism, which--provided we enhance the capacity of our hotels and spas--can also contribute to obtaining foreign currency. Investments in that area show a fast returnability, and the development of the sector is not only of economic but also of a broader social significance.

The contemplated ratio in the plans between imports and exports must be adhered to, at least. That presupposes not only the fulfillment of export tasks but also a search for ways to reduce effectively imports both from nonsocialist and socialist countries. The realization of these intentions as regards imports will require a thorough inquiry into their present structure, an assessment of their unavoidability and advantageousness in terms of foreign currency and the replacement of some imported products by our own production. In importing machinery for investments it will be necessary for the sectors and the state bank to make more rigid the selection criteria and to work out anew their suggestions concerning the possibilities of import savings.

The materialization of our long-term intentions requires that we develop new forms of cooperation both with firms in capitalist states and with developing countries. So far we have not been making sufficient use of expedient production cooperation with these two groups of countries. This form of division of labor is objectively gaining ground in the world economy, yet our share in it is lower than that of other socialist countries.

The fulfillment of the basic tasks of foreign trade policy in the Seventh 5-Year Plan is to be assisted by the instruments of the planned management of the national economy, the role of which is to support an effective integration of our economy into the international division of labor, especially socialist economic integration, and thus also to improve conditions for equalizing our balance of payments. An important role must be played in that respect by currency, fiscal and price instruments.

As we are entering the Seventh 5-Year Plan we are also making more rigid currency, fiscal and price criteria to make our production and foreign trade more effectively adjust to the trends of technological development, quality, labor productivity and prices in the world.

We also want to provide the appropriate incentives for that. We assume that, provided they successfully fulfill the export plan and raise the effectiveness of exports, EPU's, enterprises and foreign trade organizations could acquire about Kcs3 billion and 1 billion of foreign currency means annually. They could use the money, which will be exempt from any further taxes, for the remuneration fund, for the fund of cultural and social needs or for the development fund while the foreign currency means could be used, above all, to purchase new technology abroad.

Exacting criteria apply, naturally, also to the Ministry of Foreign Trade and its enterprises. It is necessary that the ministry and the organizations run by the ministry strive more purposefully to bring about firmer economic links between production and foreign trade, so that the results of foreign exchange exert immediate pressure on production and force it to respond faster to changing conditions in the world.

The Ministry of Foreign Trade must also substantially improve its work in the sphere of prices because it is one of the most serious weaknesses of our foreign trade activity. It is essential that these sectors be reinforced in terms of organization and cadres; this is made necessary by the constant and extensive movement of prices on foreign markets.

We regard the measures being introduced in the foreign trade sphere at the beginning of the next 5-year plan in connection with the improvement of the system of planning and management to be only the first step which will have to be followed by other steps.

The Creation of National Income and Living Standards

Comrades!

The above-mentioned directions represent the contents of a strategic line and the fundamental prerequisites for the attainment of the targets of the next 5-year plan. Their consistent enforcement will determine the overall development of the national economy. Only by fulfilling these prerequisites will it be possible to contemplate that the volume of created national income can in the period of the Seventh 5-Year Plan increase by 16-17 percent, that is, by an average of 2 [figures as published] percent a year, with an average annual increase of industrial production by 4 percent and of agricultural production by approximately 2 percent.

Given such a growth, the volume of national income could increase by about the same amount as we expect for this 5-year plan, that is, by Kcs85-90 billion.

It will be very important in this context that we correctly stipulate the ratio between the growth of the created and the used national income. This is important, apart from other reasons, because we must begin to gradually eliminate disproportions and imbalanced tendencies in some areas of the national economy, especially the adverse development of the balance of payments vis-a-vis the capitalist countries, which will require that exports markedly exceed imports. That is why we envisage that the annual average growth rate of the internal use of the part of the national income designated for investments and for personal and social consumption will be roughly 2 percent.

When discussing the draft directive for the Seventh 5-Year Plan the Central Committee Presidium arrived at the conclusion that under no circumstances can we reduce our proposed intentions, especially our demands for efficiency. After all, the analyses that have been carried out indicate that the targets are realistic and attainable. The Presidium requires such an approach also because we want, in keeping with the resources we will create, to maintain and further improve the quality of what we have achieved in the way of living standards.

It is a universally valid rule that there is a direct interdependence between the development of living standards and the results of social production and its effectiveness.

The development of living standards as a whole as well as their individual aspects is not a question of good will or desire but solely and exclusively the result of the performance and effectiveness of the national economy, the result of our work.

According to the considerations that have been made so far, the decisive role in developing the living standards in the Seventh 5-Year Plan should be played by the part of personal consumption which ensues from the population's revenue from work. That will be an exacting political-economic task because in the current 5-year plan revenues from work have been growing at a slower rate than social revenues or services and products being provided for the population free of charge or with the state's subsidy.

The present assessment of the possibilities of the growth of production, performance and labor productivity indicates that we could be raising average nominal wages by 1.8 percent a year.

It is, therefore, all the more important that the remuneration for work should correspond to the quantity, quality and social significance of work. Only wages that are based on corresponding work mobilize and consolidate working discipline and elicit a feeling of contentment among those who work honestly and with good quality.

That is why the new regulations governing the formation and distribution of the wage funds markedly enhance the incentive effect of wages and their dependence on actual performance and on the attained profitability of the means of production. We are consolidating the socialist principle of rewards according to one's merits, which in practice means to earn one's wages through one's own efficient and good quality work, not to rely on help from central resources but to search and effectively utilize one's own reserves, which undeniably exist in every enterprise and at every workplace.

The draft plans of many EPU's for 1981 and the Seventh 5-Year Plan have not so far corresponded fully to the draft directive and to the principles of the improved system of management. They envisage a lower level of profit and a slower growth of labor productivity than the directive.

Such an approach would mean, in fact, in its consequences, that EPU's and enterprises would not create the resources needed to increase the basic and the incentive segments of the wages. That is not a passable way. It is, therefore, essential that ministers, the managerial personnel of EPU's and enterprises but also their party and trade union bodies and organizations return to these issues in the course of the next stage of the work on the plan and that they seek and find the ways of ensuring the set tasks.

The consistent application of the principle that in the further development of living standards in the Seventh 5-Year Plan a decisive role must be played by that part of personal consumption which stems from the working income of the population depends immediately on the satisfaction of the demand on the domestic market. The incentive role of wages and other working incomes of the population finds its manifestation only when people have the opportunity to use their income to buy, free of problems, everything they need for their life, be it foodstuffs, industrial goods or services.

We realize that the domestic market, in its present state, does not fully satisfy the needs of the population, not only in terms of quantity but especially as far as the selection and quality of the goods and services are concerned. That is why production and trade must make far greater efforts to eliminate shortcomings in this sector more flexibly and rapidly.

It is sufficiently known that the current level of the production of foodstuffs places us among advanced countries with high standards of nutrition. When we consider the rations recommended by physicians, then the per capita consumption of foodstuffs exceeds the recommended caloric value by about 10 percent, the consumption of fats exceeds the recommended level by about 20 percent and the consumption of sugar by 6 percent. As regards protein of both plant and animal origin, we meet, in essence, the norms recommended by physicians.

Between 1971 and 1980 meat consumption increased by more than 17 percent, amounting to almost 85 kilograms a year. We hold in this respect one of the foremost positions in Europe.

In covering the total consumption of meat, including poultry, there has been a decline in the share of self-supply from one's own breeding. In comparison with 1970 there has been a decline in domestic slaughtering of pigs by more than 100,000 tons.

A certain tension that existed in 1979 in the production and supplies of meat and meat products to the market funds also continues this year. The growing pressure on the food market is accompanied by several undesirable phenomena, including lack of thriftiness and waste.

Troublefree supplies to the population of meat and other foodstuffs are a subject of party and state bodies' permanent attention and concern.

That is borne out, among other things, by the systematic support for the development of our agriculture and by the imports of raw materials for the food industry, imports for which we have been spending an average of Kcs10 billion a year in the past 5 years.

The relatively high demand for foodstuffs is, however, influenced also by the insufficient supply of industrial merchandise. Besides the fact that we repeatedly lack some basic kinds of goods of everyday use, what we lack, above all, is a more rapid exchange and modernization of the assortment of the engineering and electrotechnical industries, a sufficient supply of basic textile products and other merchandise for households and leisure time.

The [federal] Ministries of General Engineering and Electrotechnical Industry and the national government's Ministries of Industry, cooperatives and enterprises of local economy and other bodies must draw from all this conclusions for the coming period. The disproportion between supply and demand on the domestic market produces difficulties in the development of the economy, weakens the effectiveness of material incentives and is also reflected significantly in the political and ideological spheres, as was pointed out at the 15th session of the Central Committee.

We contemplate that in the course of the next 5-year period retail trade turnover should be increasing by an average of 2.3 percent a year; a more rapid growth should be registered by sales of industrial merchandise. All bodies in charge of the development of the domestic market must contribute to ensuring these tasks--beginning with planning of its basic proportions, ensuring the production of the needed assortment, flexible innovation, managing the development of the population's income, policy of retail prices and quality control.

We view the population's social consumption as an important advantage of socialism and as one of the factors of people's social security. These prerogatives are being enjoyed by all citizens regardless of their contribution to the national economy. However, because we need a more marked intensification of the part of the population's consumption that depends on the direct contribution of their work, we will have to slow down somewhat previous rapid growth rates of social consumption.

Nevertheless, the expenditures in this area will continue to increase. That is necessitated by the essential need to continue to develop the culture and education of our people and to further improve the health care and health protection of the population.

Above all, we will proceed with the reconstruction of the content and organization of the educational system as mapped out by the party's 15th congress. It will also be necessary to continue to build kindergartens and to pay special attention to the material conditions and accommodation of university-level students and apprentices.

In the health sector we want in the next 5-year period to organize and use rationally the fund of hospital beds and expand it further by at least 9,000 new beds. Just as urgent is the need to increase the number of places in nurseries. A great deal has already been done in this respect, especially within the framework of the Z-action [community self-help], but the capacity is still not sufficient, especially in large industrial centers.

Very topical is the need to substantially improve the state of supplies with medicine and medical materials. Therefore, we envisage a further construction of the pharmaceutical industry and a reinforcement of its raw material base, which should also enable us to innovate the range of medical products and at the same time reduce our dependence on the imports of medicine and the materials and raw materials needed for its production. It is necessary to more rapidly expand cooperation and integration with the pharmaceutical production of the Soviet Union and other socialist countries.

The draft directive for the Seventh 5-Year Plan also envisages that we will continue our efforts to further improve the quality of our citizens' housing standards.

The demands which new housing construction places on investments, civil facilities and fuel-power resources make it possible to anticipate the construction of about 550,000 new apartments.

We are striving to comprehensively materially ensure the construction of apartments and their modernization. At the same time we are creating room for a parallel construction of civil facilities, which has for years been an ailment of our housing settlements.

While doing so we see to it that new housing construction should continue to contribute to a desirable deployment and stabilization of manpower. Within the framework of the 5-year plan we will earmark for that purpose a certain number of apartments, built predominantly by way of cooperative construction. We are abolishing the construction of enterprise-owned apartments because--as experience has shown--they do not yield the effect of binding employees on a long-term basis to the enterprise and workplace concerned. In the future the main form of housing construction will be cooperative stabilization construction with the enterprises' direct integration.

Much greater attention must be paid to the way in which we handle the housing fund. It is, after all, not sensible to liquidate, as is often the case, even such apartments which could be serving their purpose still for a number of years, after small repairs and reconstructions. That is why we have decided to limit demolitions and to allow them only when they are unavoidable, after a thorough examination. National committees, in cooperation with the planning commissions, are now determining the extent of the housing fund that will be modernized. It is known that by way of modernization we acquire every year about 10,000 well-equipped housing units.

The targets we want to achieve in the sphere of living standards in the coming period will strengthen people's social security. Their fulfillment depends on the results of our work, on the work of each of us.

Ensuring Fuel-Power Resources

Comrades!

The overall concept of the preparation of the Seventh 5-Year Plan and its main objectives and directions must be concretely and consistently projected into 5-year plans and reflected in the activity of all sectors, branches, EPU's, enterprises and national committees.

The concept places particular emphasis on questions connected with ensuring fuels and power, metals and other raw materials, and foodstuffs, as well as on the structural orientation of the further development of manufacturing branches, especially engineering.

Allow me to deal with at least some of these problems. The prerequisite for further smooth development of the economy and living standards is to secure essential fuel-power resources.

It is natural, and corresponds to development trends throughout the world, that--compared with the past 5-year period--we count on a slower growth of primary sources. In the Seventh 5-Year Plan we must consistently continue the orientation toward utilization of our own resources, especially solid fuels, and toward ensuring the program of construction of nuclear power plants in cooperation with the Soviet Union. In that way we want to have an increase in primary fuel-energy sources in 1985--compared with 1980--amounting to at least 10 million tons of standard fuels. We put particular emphasis on a more intensive fulfillment of the program of conservation and rationalization of fuels and energy consumption that was approved by the Central Committee Presidium and the CSSR Government. In this way we can achieve a relative saving of at least 8 million tons of standard fuels. That would create realistic prerequisites for the country's balanced fuel-energy balance sheet. We must expend considerable efforts on coping with the fuel-energy situation in the first years of the coming 5-year plan when the additional increase in sources--in view of the timetable for the construction of additional nuclear power plants--will essentially depend on increases achieved in coal extraction.

That is why the demand to overcome the unfavorable state of affairs in the preparedness of the mining sector is so urgent, a state that has been created in the North Bohemian brown coal basin because of the influence of long-term factors. What is required in the first place is to unconditionally fulfill the government-adopted program of production, reconstruction and improving the operational reliability of the mining technological entities [celky], particularly in the big strip mines. The Klement Gottwald Ironworks of Vitkovice and other involved enterprises--under the direction of the Ministry of Metallurgy and Heavy Engineering and with the help of the best designers and technicians--must resolve that task.

In order to overcome the current complex situation in the North Bohemian brown coal basin we must utilize all its internal reserves and further improve the standard of management and organizational work. The development of mining activity and extensive investment plans connected with it, as well as the creation of prerequisites for the stabilization of manpower, require carrying out statewide transfers of construction capacities to the North Bohemian Region. Even in this 5-year plan they will not fulfill the construction plan there, a matter that especially applies to civic facilities. The establishment of a new, independent construction enterprise in the region is to contribute to a better fulfillment of those tasks.

The development of the North Bohemian brown coal basin and attention to the North Bohemian Region in general cannot in any way obscure the important and demanding tasks in the rest of our coal basins, particularly in the Ostrava-karvina Basin, because the extraction of high-grade black and coking coal under more difficult geological conditions will demand an extraordinary effort, great deployment of machinery and other resources.

An important socioeconomic task in the entire coal industry is to further improve conditions for care of the miners' lives and work. In that respect we have adopted in recent years many measures that have a positive influence. In the interest of appreciating the hard and selfless miners' work and a more marked support for state-wide recruiting of the necessary new workers for this key sector, it will be necessary to continue these measures and those in the wage, social and health spheres, as regards their social appreciation, and in housing construction.

The decisive thing for the Seventh 5-Year Plan in the sphere of energy--together with further improving the operational reliability of the existing capacities--is to observe the deadlines for additional nuclear power plants to be put into operation. The successful operation of the Jaslovske Bohunice powerplant fully confirms the correctness and justification of our orientation toward preferential development of nuclear energy. Of the overall addition in electricity production in 1985--compared with 1980--at least 85 percent, that is almost 13 billion kilowatt hours, will be from nuclear powerplants.

In the next 5-year plan we must still more successfully master the construction of the nuclear powerplants V2 in Jaslovske Bohunice and V3 in Dukovany, as well as the inevitable under-construction state [rozostavanost] in the coming period in the localities of Malovice in South Bohemia and Mochovce in the West Slovak Region. Therefore, the government has ordered the elaboration by the end of the year of a set of concrete measures on investors' preparedness, early selection of building sites and ensuring the projects. We must also finish establishing the specialized construction organization for the construction of nuclear powerplants.

Mastering the fuel-energy problem requires initiative from all sectors. For example, engineering must clear up boiler production in order to create realistic prerequisites for a more rapid construction and modernization of the boiler economy [kotolne hospodarstvo]. That is not only a prerequisite for overall conservation of fuels, but also for faster substitution of graded coal to large consumers in the interest of better supply to the population.

We are counting on increased deliveries of natural gas from the Soviet Union. We are negotiating further participation in the construction of the Soviet gas pipeline system, and want to better utilize, respectively expand, our system of transit pipelines. The increased deliveries of natural gas are destined, above all, for households and technological consumption.

We demand that the federal Ministry of Fuel and Power improve the standard of investors' activity, pay greater attention to the construction and operation of the nuclear energy sector, and with greater insistence resolve the issues of the coal basins' development. It must more actively participate in implementing the overall state energy policy, and asserting strict economizing as regards the consumptior of fuel and energy in our entire society.

With full justification we have put the struggle for solving the fuel-energy problem in the forefront as an all-social task. We have concentrated the attention of all party, state, economic and social bodies and organizations on this. Our entire further development depends to a great extent on how well we will manage fuels and energy.

As regards the development of metallurgy in the next 5-year period. We count on a 5 percent growth in steel production and an 8 percent growth in the production of rolled material. We will continue to verify the feasibility of these tasks. We expect the import of iron ores in the next 5 years to hardly increase.

In view of this, the government has decreed that the export of rolled material be considerably reduced, particularly to the nonsocialist countries. It also decreed achieving in production a relative saving of 4 percent of metals annually, as well as increasing the collection of scrap metal and speeding up the turnover of the country's metal fund [fond] by utilizing scrapped machinery and equipment.

In the period of socialist construction we have created an extensive metal fund. Today, our country has more metal per capita than some of the industrially advanced countries. This wealth is being inadequately made use of, however. While the turnover of the metal fund in the industrially most advanced countries takes 12-18 years, in our country it takes at present 24 years. For that reason we see here a potential resource for the needs of the national economy.

The work on the state target program of rationalization of metal consumption, which is at present nearing conclusion, is also oriented toward this. Its implementation has to enable us in 1985--compared with 1980--to achieve a better utilization of metals amounting to almost half a million tons by reducing production waste and nonreturnable [nevratne] losses within the metallurgical cycle, and in processing metals into metallurgical products.

By reducing the standard [merna] consumption of metals when used in the consumers' sphere, particularly in engineering and construction, we want to achieve a relative saving amounting to 1.6 million tons. By utilizing secondary scrap and waste from all spheres where they are being processed, we should obtain at least 600,000 tons of metal.

At the same time, we count on a gradual improvement of metallurgical materials' quality and on the liquidation of old machinery and lines. We count on an intensive utilization of modernized and reconstructed metallurgy installations--of blast furnaces, steel furnaces and new rolling trains. The proportion of steel production from oxygen converters should be 44 percent in 1985--compared with 26 percent today--and increasing the production of continuously casted [plynule odlievana] steel five-fold in 1985--compared with the present state--should yield further metal saving.

As in the sphere of fuels and energy, the endeavors for conservation and considerably better utilization of ferrous and nonferrous metals must become the aim of leading technical-economic personnel, designers and technology experts, of innovators and improvers, brigades of socialist labor, of entire work collectives and all individuals. It must become the subject of everyday political care by the party, trade union and youth bodies and organizations.

The task of the Ministry of Metallurgy and Heavy Engineering, of the State Planning Commission, of other engineering sectors, of the Ministries of Technological and Investment Development, Foreign Trade, Construction and other involved central bodies is that the state target program for rationalization of metal consumption be consistently projected into the plans of individual branches and enterprises, so that we achieve the planned effect in the course of the Seventh 5-Year Plan.

The Orientation of Engineering and the Development of Electronics

In the Seventh 5-Year Plan and in the whole period of the 1980's engineering will hold the key position in the development of the national economy. We must further strengthen its role from the aspect of satisfying domestic needs, asserting scientific-technical development in society and ensuring the standard of living, as well as fulfilling export tasks.

Despite the overall considerable growth of engineering production in this 5-year plan, a critical analysis reveals that in many important respects, particularly in exports to nonsocialist countries, many enterprises, sectors and engineering as a whole have not fulfilled their tasks. Our engineering--even if we have to take into consideration the great dissimilarities between individual EPU's and enterprises--still does not adequately keep abreast of the intensive dynamism of world developments. This applies especially to the pace of innovation and rising technological standards, and to the insufficient competitive ability of some sectors on the world market.

The main approach to eliminating the causes of these problems has been determined already at the third Central Committee session. Above all, the essence lies in a much more purposeful long-term forming of our engineering structure and orientation. In the first place that means narrowing engineering's disproportionate diversity, which exceeds our potential, concentrating on a smaller range of sectors and production in which we have realistic prerequisites for achieving the world standard, and comprehensively developing these sectors on a priority basis.

In the course of the Sixth 5-Year Plan, and in the course of preparations for the next one, we have done quite a bit for further improving the structure of the engineering sector, for example for developing nuclear engineering and for producing trucks and certain computer equipment.

A long-term concept for development of our aviation industry, in cooperation with the USSR, was approved recently.

However, one has to say equally frankly that we have come face to face with and with great urgency must decide about the concepts of some other important engineering sectors so that they will correspond to the aforementioned conditions in the 1980's. For example, this applies to passenger cars and tractors. We must also strengthen and rationally organize the production capacities of the textile engineering and some other efficient sectors, and resolve the development of agricultural machinery production.

Thus far we have not succeeded in concentrating investment in engineering above all on modernizing the existing capacities. On the contrary, engineering sectors are counting on an additional over 2.5 million square meters of operational premises--the same as in the Sixth 5-Year Plan. Other sectors are coming up with similar demands. This is untenable for two reasons: first, because it is at variance with the need to modernize the existing production facilities; and second, because it would lead to a further drop in the utilization of capacities, particularly in big industrial conglomerates.

A correct orientation of investments is the basic prerequisite for a broader and more rapid utilization of the results of scientific-technical development. Any belated introduction of new products leads to irreplaceable losses and not infrequently to the loss of position on foreign markets. Such is the case, unfortunately, in our textile engineering, tractor industry and some other sectors. We must quickly concentrate on innovation and substantial improvement of the utility value of our products, and here time plays a decisive role.

The Central Committee Presidium will soon discuss the concept of the development of electronics and microelectronics, in which we are particularly lagging.

Consistent application of electronics and automation carried out in the vital branches yields considerably higher social labor productivity, and reduces the consumption of raw materials, fuels and energy. Therefore we are considering increasing the production of the electrotechnical industry at least 50 percent in the next 5-year plan.

We are counting on giving an edge to the development of electronics before the rest of the engineering sectors so that we will be able to ensure a gradual solution of fundamental problems connected with the development of an advanced components base. In the first place, these will be integrated circuits for microprocessor technology, particularly memories, processors, testing circuits, optoelectronics signalling [oznamovacie] systems and investment electronics.

The same as the other advanced countries with similar economic potential, Czechoslovakia cannot develop all spheres of electronics alone. We must therefore proceed in this branch in broad cooperation with the socialist states, particularly with the Soviet Union.

The situation in this sphere forces us to make use of the international division of labor and the purchase of necessary licenses.

Therefore the long-term program for development of electronics will include the resolution of the basic problems of this branch; that is, of research, licenses, international cooperation and expanding production capacities, as well as the program for introducing electronics into the national economy. That program is at present in the works with the engineering sectors and some EPU's from different branches.

A greater application of products with a higher utility value achieved through a more perfect finishing [kompletacia] of accessories, automation of functions and control systems will result in the next 5-year plan in a markedly changed proportion of production of semifinished [kompletacne] and finished products.

Inadequately developed production and a frequently low technological standard of semifinished products have for quite some time now restricted the utilization of final capacities built and have negatively influenced the smoothness of production and the quality of finished products. The engineering ministries and the EPU's are still very slow when it comes to resolving that disproportion. The nonengineering sectors are also lagging in the fulfillment of cooperation tasks vis-a-vis engineering. There are still cases when one EPU exports some semifinished products and materials, while another one imports them for a lot of money. There has been some improvement in the sphere of these crisscross imports, but despite that, the Ministry of Foreign Trade and its enterprises are not fulfilling their role well.

In connection with the preparation of the Seventh 5-Year Plan, the engineering ministries and their EPU's must, above all, improve the standard of conceptual management oriented toward a purposeful regulation of the structure of production, and in that connection also of the technical and investment policy.

Consistent assertion of an intensive course in the further development of engineering in the Seventh 5-Year Plan presumes to politically win over the whole numerous army of workers, technicians, designers, economic personnel of the engineering sector and of the electrotechnical industry. Without their initiative, selfless and creative work, we would be unable to master the demanding tasks of the coming years.

As regards the chemical industry, here we count on about a 15 percent production growth. Crude oil will remain its basic raw material base, and its quantity will remain approximately on the 1980 level. That means that we are counting on the import of 18-19 million tons annually. We must utilize crude oil much better and achieve a substantially greater savings in the consumption of oil-related products. To that end, the construction of a cracking unit for deep [hlboke] processing of crude oil is being considered for the next 5-year plan.

Newly-begun investment actions, as well as reconstruction and modernization will contribute to the intensification and more effective utilization of petrochemical capacities built in the current 5-year plan. We will be developing faster the low and medium-tonnage chemical production which demands a high proportion of skilled work. What is involved is mainly the expansion of capacities and the introduction of the production of new types of organic dyes and semifinished products, of chemicals for the rubber industry and raw materials for their production, oil additives, pure chemicals, paints, organic substances, medicines and biochemicals [biofaktory].

In the chemical industry we will also concentrate on improving artificial fibers, new technologies for forming and modifying them, and on a more effective handling of rubber.

A necessary prerequisite for the further development of this branch is a more extensive utilization of the international division of labor, particularly of cooperation with the Soviet Union, from which we will import energy-intensive chemical products. In exchange, we will export products requiring a high degree of skilled work.

The consumer industry is of great importance for the supply of the domestic market. That is its main role. Although in the current 5-year plan it has achieved good results in increasing the production of goods and labor productivity, we still must demand from the majority of its sectors greater adaptability to the domestic as well as foreign consumer. Something with which we cannot be satisfied are the export prices which we are achieving, prices that--compared with foreign competition--are marked by slower growth. When further developing the individual sectors of the consumer industry, we must pay special attention to increasingly better utilization of the increasingly more expensive raw materials, to increasing the proportion of secondary raw materials' processing, and to substantially improving their collection. We will continue giving preference to the development of branches processing domestic raw materials, especially glass, porcelain and ceramics.

In the timber-processing industry we count on a marked growth of the production of paper and cellulose, fiberboard and furniture. However, at the same time we must also search for other ways to better utilize the mass of wood--beginning with the sawmill and ending with the production of other wood products. All this is to serve a substantial reduction of raw timber exports.

Also, improving our transportation system will have increasing importance for a smooth and efficient operation of the national economy in the Seventh 5-Year Plan. Here we can link up with some positive results achieved in construction in the current 5-year plan, but at the same time we must more resolutely deal with the existing shortcomings and bottlenecks.

In implementing the adopted principles of the uniform state transportation policy, we put railroad transportation, as our mainstay, in first place. In particular, what is involved is speeding up the electrification of railroad lines and equipping them with advanced safety technology, and increasing the performance of the main lines, and also of secondary lines and vital railroad junctions. In view of water transportation's energy efficiency and all-around practicality, its utilization must be further increased. For this reason railroad and water transportation must be given marked preferential treatment, even at the cost of reducing or slowing down investment, for example in expressway construction, in road construction and in aviation. As regards truck transportation, it must be more rapidly rationalized. While maintaining this technologically necessary enterprise of truck transportation, we will give preferential treatment to the development of public road freight transportation in which the utilization of the vehicle pool is approximately twice as good. The government has already adopted the appropriate measures for that.

Raising the effectiveness of the Czechoslovak economy demands speeding up the development of advanced transportation and palletization [paletizacia]. In the forefront also stands the demand for improving the quality of public transportation, especially its running on time, and the overall standard of services provided for passengers.

The Tasks of Agriculture and of the Consumer Industry

Comrades!

In agriculture we have created a solid basis for the further development of food production in the Seventh 5-Year Plan. It has been already said that with the current per capita food consumption we belong to those countries with a high standard of nutrition. It is also true that we ensure this standard partly through imports.

Our foreign trade deficit with agricultural products and foodstuffs has increased in the current 5-year period. Even if a substantial increase of prices on foreign markets plays a role in this, we cannot disguise the fact that the rise in consumption of some types of food, especially meat, overtook the growth of agricultural production, especially plant yields. That leads to the necessity to import considerable quantities of feed grains and other components.

Therefore, the way out of this situation is in further intensification of agricultural production, in purposefully deepening its concentration and specialization, in the mobilization of internal reserves in the entire agricultural-food complex, in a more efficient fulfillment of obligations by the supply branch and in reducing losses in the entire process, beginning with production, processing, sales and all the way to consumption. In this we see the basic prerequisite for raising our self-sufficiency in food as stipulated by the 13th Central Committee session and the 9th congress of the united farmers cooperatives. Their resolutions must be consistently guaranteed.

Realistically assessing the potential of our agriculture, we assume at the moment that in the next 5-year plan production will grow at an annual average rate of 2 percent--of which the plant yield will grow 2.8 percent and animal production 1.3 percent. As regards the food industry, we expect that the annual volume of production will grow 2.1 percent on the average and deliveries to the market 2.2 percent. That will enable us to maintain the current annual meat consumption, increase the consumption of milk and dairy products and other foodstuffs, particularly of vegetables and fruit, and at the same time to expand the choice and improve the quality of food products.

In order to achieve these targets we must accelerate the pace of the plant production's development. Here, together with the further increase in the production of cereals, emerges the need to considerably increase the production of bulk and protein fodder, improve their quality and their management. Bulk fodder in the basic food portions of beef cattle, including cows, should play a greater role in the overall consumption of nutrients.

We also put greater emphasis on growing fiber plants, the production of which is directly related to the export and import of agricultural products and foodstuffs. In fruit and vegetables we should strive for gradually reducing the import of those kinds that can be grown in our country.

The structure of animal production, too, must be subordinated to the demand for increasing self-sufficiency. Much more energetically than before, we must push through the orientation toward raising beef cattle, which constitutes the area of our largest meat reserves. We are counting on the fact that the decisive part of the increase in meat production will be ensured through increased raising of cattle for slaughter. That will also help to increase milk production. Care must be devoted also to expanding production on peasants' private plots and of small-time breeding for their own consumption as well as for strengthening and enriching the choice on the market.

The basic prerequisite for the development of agricultural production is full utilization of the land, while consistently observing the law on its protection. For this reason in the coming period we want to concentrate much energy and resources on increasing soil fertility, improving water systems, better utilization of the biological and genetic properties of plants, and reducing losses of all kinds. The deliveries of industrial fertilizers should increase 13 percent and of calcium substances 45 percent, and the availability of substances for the protection of plants and for the stimulation of their growth should be better ensured. But we must demand from agricultural enterprises a decisive change in the attitude toward the production and effective utilization of stable fertilizers.

We also want to considerably invest in plant production, above all in irrigation, drainage, construction of agrochemical enterprises and facilities for the production and nursing [osetrovanie] of stable fertilizers, for storing fruit and vegetables, in storage and facilities for the preparation of fodder. We will also put emphasis on the necessity to better ensure the deliveries of machinery for plant production, as stipulated by the 13th Central Committee session. In particular, the issues of agricultural transportation, the elimination of shortcomings in the deliveries of soil-tilling and sowing machinery and machinery for harvesting in submontane regions is involved.

The task of the chemical and pharmaceutical industries is in taking more initiative and more consistently increasing the production of industrial fertilizers and agrochemicals, as well as improving their quality. Equally, they must devote greater attention to the production of chemical preservatives, biochemicals [biofaktory] aminoacids and other stimuli for animal production. In order to acquire the production knowledge it is necessary to cooperate with the other CEMA countries more extensively.

In the food industry it is necessary to better utilize raw materials, expand the assortment of products and make them qualitatively better, less perishable, and ensure production of a larger quantity of prepared and semiprepared foods. The appropriate enterprises must continue to pay increased attention to high quality children and baby foods. At the same time we will increase the proportion of packaged goods, especially of meat and meat products, bread, pastries, milk and dairy products, and of fruits and vegetables.

Capital investment in the food industry should, above all, contribute to achieving better harmony with agriculture's raw material base, to processing raw materials with minimum losses, to making production less energy-intensive and to the improvement of the situation in cooling capacities. From the engineering sectors we demand that they better ensure the appropriate technological equipment, and from the ministries of industry the deliveries of packing material.

The new demanding tasks of agriculture and the food industry place greater demands on the standard of management on all levels, beginning with the ministries of agriculture and food. In the entire system of planning and management, we must eliminate the rightly criticized administrative forms, and simplify complex regulations.

At present the state plan on agricultural production and procurement details 4 mandatory and 31 orientation indexes. However, standard practice is such that ministries, regional and district agricultural administrations have been considerably expanding the number of mandatory indexes so that some enterprises have received more than 90 of them. In the great volume of mandatory indexes the main element is getting lost. Above all, this hampers the initiative of agricultural enterprises and considerably reduces their responsibility. That is an administrative approach toward management and in that way we will not achieve the optimum effect.

Agriculture measures also are being prepared aimed at perfecting planning, at deepening the system of economic instruments and at increasing material incentives for enterprises and individuals. These measures should lead to people's increased participation in management, to making their creative initiatives felt, and to deepening the responsibility of the personnel of agricultural enterprises and individuals levels of management.

1981--The Beginning of the New 5-Year Plan

Comrades!

Parallel with the preparation of the next 5-year plan, work on the draft plan for 1981 is underway on all levels of management. That is the first year of the Seventh 5-Year Plan and therefore must be an organic part of it.

The preparation of the plan and, understandably, also its fulfillment must constitute a smooth transition to a more distinct intensification and effectiveness of the national economy's development. In that respect the influence of the new measures of the system of planned management must already begin to be felt. One can say that the specificity of next year's plan is in its ensuring the start into the new 5-year plan while there will be considerable intervention in the accustomed methods and ways of management.

Therefore it is necessary in the remaining part of the year to do everything that is necessary, by a consistent fulfillment of the plan, to create the most favorable starting basis for 1981.

Above all, one has to draw attention to the fact that some EPU's--and the appropriate ministries do not oppose it--continue the old practice: That is, creating for themselves a lower starting base for the entire 5-year plan and therefore also for next year.

However, today, when we know the results of the plan fulfillment in three quarters of the year, we can fully, responsibly assess that the planned tasks--after the necessary amendments have been carried out--are realistic and can be fulfilled. The starting base for the Seventh 5-Year Plan, the way it is stipulated in the draft directive, can be ensured and therefore must be respected.

The directive on elaboration of the 1981 plan stipulated that on the basis of a realistic assessment of our potential and needs--compared with this year's plan--industrial production has to increase 3.5 percent and agriculture 2 percent. With such a growth of the basic sectors' performance, the created national income should increase about 3 percent and that actually used about 2 percent.

One of the most complex tasks is to ensure a balanced fuel-energy balance sheet. The problem is concentrated in the production of brown coal and lignite. For 1981 the directive stipulates production of 98.5 million tons, which is 2 million tons more than in the 1980 plan, whose fulfillment is seriously endangered by a shortfall of more than 1 million tons. For that reason in the concluding stage of the work on the plan we must once more comprehensively assess the situation and set a target that will be realistic and will ensure the necessary needs of the national economy.

In metallurgy--in accordance with the plans of the Seventh 5-Year Plan and in view of the situation that is being created in raw materials--we count on a lower consumption of iron ore and on the greatest possible utilization of scrap metal. At the same time we strive for a certain reduction of rolling material exports with the idea that by improving its assortment we will obtain higher export prices.

As regards engineering production, the directive counts on an approximate 6.5 percent growth, with a faster pace in electrotechnical production. In view of engineering's vital role in ensuring the export potential of our economy, the 1981 plan must have better prerequisites for increasing exports than was the case this year.

As regards agricultural production, we count--compared with this year's plan--on a 1.8 percent increase in plant production and an 11 million ton grain harvest. This is approximately the result that we will achieve in grain harvest this year. In animal production we are orienting ourselves toward increasing the production of cattle for slaughter, whose procurement--compared with the current year--should increase 1.5 percent.

Similar to the past 2 years, we plan for the coming year a lower pace of investments--investments are to increase about 1 percent.

We are concentrating capacities and material resources mainly on social priorities; that is, on the resources of fuels, energy and metals, on state target programs and on actions that will improve our foreign currency balance sheet.

Concerning standard of living we are maintaining continuity in the achieved degree of material consumption, cultural standards and social achievements of the broad strata of the population. Our main attention will have to be devoted to a suitable structure of deliveries to the market, to quality and to increasing the utility value of products.

At this stage we cannot regard the progress of work on the preparation of the 1981 plan as concluded and satisfactory. About one half of the EPU's submitted proposals that do not fully ensure the planned growth of the effectiveness and productivity of work. They assume a lower growth of output and especially of deliveries for export. Several problems causing this state of affairs could be resolved through effective organizational work of ministries and planning commissions, and through concrete elaboration of plans by enterprises and EPU's. What has not been done yet must be done in the coming weeks.

Ministers, in close cooperation with planning commissions and general directors of the appropriate EPU's, must shortly submit proposals that--particularly from the viewpoint of effectiveness, standards of production consumption and the structure of production methods employed [struktura pouziti vyroby]--will correspond to the directive.

Everyone must realize that the draft plan for the coming year, as well as for the next 5-year plan, will constitute the most complete political and professional assessment of their work, of their abilities and determination to ensure the targets set by the party.

The Objective of the Set of Measures in the System of Management

Comrades!

From what has been said it is obvious that we cannot resolve the new, much more demanding tasks of tomorrow with the existing methods. This was stressed already by the 15th party congress when it decreed the preparation of changes in the management system and mechanism, changes that would, in harmony with the socialist character of production relations, put emphasis on the functioning of intensive factors of economic growth which enable us to better combine the results of the scientific-technical revolution with the advantages of the socialist social system.

At the beginning of the year, the Central Committee Presidium discussed and approved the main principles of the set of measures for improving the planned management system of national economy after 1980.

The set of measures strengthens, above all, the role of the plan. We want to achieve its better long-term effect, and in particular its internal interlinking [vnutorna previazanost].

We regard as vital that the plan itself already proceeds from the results of scientific-technical progress, that it be an effective instrument for this progress' implementation and that it purposefully ensures improving quality of production, reducing energy and materials' consumption and utilizing manpower and basic assets.

Only thus will the plan have the necessary authority and will it be able to fulfill what we expect in the coming period. We must assert these demands in the State Planning Commission, in the commissions of national governments and all ministries, as well as national committees, EPU's and enterprises for which we have considerable planning responsibility.

The high quality of the plan, as a matter of fact, is the key prerequisite for our much better utilization of the khozraschet [cost accounting], the economic stimuli and the initiative of work collectives for the realization of the planned tasks.

The deepening of khozraschet constitutes the second fundamental line of changes that arise from the set of measures. What we are interested in is that every component of management works with economical responsibility, that it works in such a manner that the material and financial resources invested in production yield the greatest possible result.

For that purpose there is the amendment to the set of indexes with which we will assess the results of the work of individual enterprises. Gross production is being substituted by the index of performance proper [vlastne vykony], which will make it possible to better evaluate the real contribution of each production collective to the final national economic result.

No longer will cooperation or material and other inputs that used to influence the fulfillment of the plan of gross production be used, but the economic divisions of production, the quality and technological standard of production and profitability will be the sources on which the wages of employees and the entire development of each enterprise and each EPU will depend.

At the same time, this requires transferring individual economic decisions to those components of management that can make them with the best knowledge, and full realization that correct or poor decisions will immediately reflect in their economic results. One can no longer rely on an additional supply of resources from above papering over various ills, above all, one has to rely on one's own strength and ability.

In this connection we put particular emphasis on the development of the principles of khozraschet in enterprises, plants, workships and work units. We want every worker to know exactly not only what he has to produce, but also in what quality, with what costs and what energy and material savings he has to achieve.

That will enable us to better appreciate the share of individual collectives, enterprises and EPU's in the achieved all-social results, and in accordance with that to more accurately and more effectively implement the socialist principles of material and moral incentives. Therefore we are also facing the task of perfecting the wage practices, adapting the bonus regulations to the new demands and improving the norms in the sphere of live and mechanical [ziva and zhmotnena] work.

The effect of the adopted measures will, to a considerable degree, depend on the correct functioning of the price system. We are facing inevitable changes in the wholesale prices of fuels, energy and some raw materials so that they are closer to the prices which we pay for them on the world markets. This is an economic necessity and at the same time a prerequisite and impetus for handling these materials like the leading world manufacturers do.

However, the realization of this demand will be a complex affair because the increased wholesale prices of fuels, energy, raw and other materials will have to be compensated for to a maximum degree by reduced costs in processing branches. And that again will force enterprises to search for ways to better utilize them.

Much has been done since the resolution of the CPCZ Central Committee Presidium and the federal government on the improvement of planned management of the national economy was adopted. However, the experience of the recent period shows that the main tasks are still ahead of us. What is involved is a change in attitude and behavior of people and work collectives, a change in the style and methods of the ranking economic personnel's work. It has emerged that the depth of knowledge and the comprehensive mastering of all measures is by far not satisfactory yet.

We say quite openly that the new measures in the management system create for the EPU's and enterprises considerably more demanding conditions than those under which they have worked thus far. The application of stricter criteria of assessment to the results of management will constitute a considerably pressure, above all, on enterprises that are lagging, pressure to markedly raise the effectiveness and quality of their work and eliminate all kinds of waste.

The new measures also increase demands on the work of the State Planning Commission, national planning commissions and all ministries. Also in their methods of work, there survive many things from the period when economic conditions were quite different from the present. Thus we are facing the task of fundamentally improving the work of these bodies, and where necessary also improving their organization and cadres. One has to keep in mind that management and planning "from above" and "from the bottom" are not opposite poles. They are a joint search for best ways leading to a consistent fulfillment of the goals of the party's economic and social policy. The EPU's, as the basic components of the khozraschet sphere, must become the carriers of the plan and budget, and be fully accountable for the elaboration and realization of the technical, investment and production concept and for satisfying the needs of the national economy in their sector.

The general directorates must be the real leading staff of a united, comprehensive economic organization and not just a link between a ministry and enterprises. They must organize the collaboration of all enterprises and plants, of the entire EPUs' work collective, aimed at the fulfillment of duties toward society.

Because of this EPU responsibility, the appropriate ministries must--by the middle of 1981--work out the organizational structure and forms of management of the individual branches and sectors.

The demanding tasks of the upcoming period also require improving the standard of management within enterprises. The situation is such that in many enterprises the norms for the consumption of materials and live work are still unsatisfactory. Identical jobs have different norms in different enterprises. Calculations and budget insufficiently influence the economy of operation, and the results of final calculations and of some centers of management are being inadequately utilized. Also, the material interests of the appropriate collectives and their heads is not being consistently linked to these results. And to date very little has been done about rationalizing the administrative apparatus and the whole administration.

The rules on khozraschet within enterprises that define and deepen the existing practice must regulate and stimulate the further development of economic management within an enterprise.

A part of our endeavors to increase effectiveness and to economize are the measures on penalizing poor quality production. In 1979 the losses stemming from unsaleable [vyskladnene] articles reached more than Kcs1 billion.

These recorded losses alone--arising from poor work--are reducing the pace of the growth of average wages up to 0.2 percent and are leading to a substantial reduction of the allotment to the cultural social fund.

A further course, based on the experience gained to date, is being discussed now. We want to reach a point where not only the final producers are penalized for poor quality, but also the subcontractors. If we want to hold our own in competition on foreign markets, if we want to have satisfied consumers at home, we must significantly strengthen quality control. Enterprises that comprehend this are perfecting their stage-by-stage control, are taking measures regarding the construction of technological machinery, in the organization of production and--when necessary--carrying out cadre changes. We regard that as correct.

The set of measures not only penalizes poor quality work, but also gives a distinct preferential treatment to new and advanced products of high technical, economic and aesthetic standard. Calculations reveal that the sums which enterprises and employees can obtain in this way are far from small. Measures that are aimed at improving the quality of products must become a subject of discussions at production consultations and in trade union organizations so that they can reach every employee in concrete form.

The adopted measures cannot by far exhaust everything that must be resolved and improved in the sphere of management. No system works automatically. Moreover, the changes that we are introducing will, without doubt, elicit conflict; therefore the role of direct management, the role of the ranking personnel's responsible and initiative work, a systematic perfection of the methods, style and organization of management work and a high degree of political work are essential.

This was accurately characterized by Comrade Gustav Husak at the 14th CPCZ Central Committee session when he said: "Direct management--a sphere in which we have great shortcomings--is essential. In central bodies, EPU's, and in enterprises much hack work and stereotypes still exist. Although we have some good examples, although there is a certain trend to improvement, on the whole we have not made the progress which the current tasks demand."

These words analyze the state of affairs which we must markedly change in the coming period. We see the key to that in people, in improving relations among them and in improving cadre work. New tasks can be mastered only by executives who combine political maturity with a high degree of professionalism and performance, and with a good knowledge of technology and the latest developments in their profession. We urgently need from the ranking personnel greater flexibility, healthy entrepreneurship and no fear of taking justified risks. We put a particular emphasis on their ability to sensitively lead collectives in enterprises, elicit and organize initiatives, deepen cooperation among production collectives and foster in them the feeling of common responsibility for the results of their enterprise or plant.

We must eliminate inadequate and ineffective administrative methods of management that divert ranking personnel from their work with people, from resolving concrete production problems. It is necessary, among other things, to check whether the various reports, returns and statements better contribute to making the decisionmaking process. Every department must devote itself to this state of affairs and must decide in cooperation with the statistical office, planning commissions and finance ministries about a considerable simplification of things.

The CPCZ Central Committee Presidium regards as correct the federal government's recent adoption of several measures aimed at reducing budget expenditures in various spheres and on overall economizing. Measures aimed at reducing the administrative apparatus were also adopted, and the economizing process in the institutions' car pools continues. We want to emphasize that this is just the first step to a comprehensive solution of all problems, which will be followed by other steps.

We regard the principles anchored in the set of measures to be the beginning of our endeavors for a higher degree of efficiency and performance. We must implement them in a determined way to achieve the objectives that our Communist Party has determined in the care for man and for a better satisfaction of his material and spiritual needs.

Let Us Fill the Precongress Period With Creative Work

Comrades!

About 6 months are still left until the 16th party congress. The precongress period will, doubtlessly, be filled with an upsurge of new creative initiatives and with the energetic activity of our people in which communists will be an example.

Therefore, the fundamental purpose and content of the party's organizational, ideological and mass political work lies in uniting the working people's endeavors. The order of the day is good work, utilization of all reserves, making the utmost out of fuels, energy, raw and other materials, and a more extensive and prompt utilization of the results of scientific-technical progress. Together with this, there should be consistent implementation of all new measures to make the system of management more perfect.

For this reason the analytical and control activity of the party bodies and organizations must be deepened. At the same time it is necessary to search for the most effective ways to win over work collectives for mastering these tasks, for ways to orient inventors and improvers and scientific and technical intelligentsia toward these tasks.

Party bodies and organizations will certainly be the examples in demanding and critical assessments of work as well as in the attitude toward the urgent needs of our further development. To obtain a responsible and objective view of reality, we must realistically assess everything we have achieved in the national economy and in the standard of living in the 1970's. This will determine our development and cannot be circumvented in an analysis.

True, we cannot ignore the fact that our results could have been better if we had more consistently asserted and better assured through purposeful and cadre work the implementation of the strategic line of the 15th congress on all levels of management and in state, economic and youth organizations.

Literally as salt, we need a healthy dissatisfaction with the achieved results, that incessant creative searching which tenaciously and systematically asks: How to do things even better and more effectively. The indivisible part of political work within the party and vis-a-vis our entire society is to daily foster in ourselves and in every citizen of this country the awareness of responsibility and of a high degree of exactingness as one of the elementary prerequisites of good work and high performance.

We want everyone to understand that the goals of the social program can be fulfilled only in proportion with the resources which we will create. Today more than ever before the slogan applies that "The way we work today we will live tomorrow."

Each new stage which we are striving to master demands greater activity and the commitment of people, and thus ever more improved and effective forms of the unity between the party and the masses of the working people. Let us here also learn from Lenin who understood this principle as the fundamental purpose of all party work. He often returned to the thought that socialism can only be the work of the involved activity of millions-strong masses that must be won for those goals.

Practical and concrete solutions to problems right on the places of work, in the economic management practice and in political-organizational work require that our plans be explained to people, that the people be convinced about the manner in which they are to be solved, and that the experience, collective wisdom, creative thinking and fruitful initiative of the working people be utilized.

The party bodies and organizations see to it that economic personnel get unequivocal support for fulfilling of their duties and asserting all-social interests. Together with the economic personnel and trade union bodies, one has to create at workplaces an atmosphere that would make honest people determine public opinion. Therefore, it is necessary to uncompromisingly prevent all scheming, indolence and slovenliness, and draw consequences from ignoring and circumventing social interests. All violations of the state, planning and financial discipline, various machinations and, in general, all phenomena incompatible with socialist morals must not only be criticized but also resolutely resolved.

In that respect our trade union movement has a broad scope. In this decide and particularly recently our trade union bodies and organizations have demonstrated their coresponsibility for the development of society and the national economy. They have greatly engaged themselves in the development of the working people's initiative and in the working people's participation in the management and administration of public affairs.

However, one has to continue searching for more effective forms of the working people's participation, further develop activity for implementation of the set of measures, purposefully work for increasing involved work discipline and for uncovering reserves.

Trade union bodies and organizations, in cooperation with economic management and the national committees, will certainly--precisely in connection with the preparation of the Seventh 5-Year Plan--even more consistently see to it that no sensible suggestion, no proposal or recommendation is ignored. This requires that the care for the working people be further developed and a permament struggle against ignoring their justified needs be waged.

The economic management of enterprises and plants must systematically cooperate with trade unions, create conditions for a common course in the fulfillment of the plan and cooperate in improving the working conditions and social needs of people.

As regards the central state and trade union bodies, it would be a good thing to continue the well-tested practice of joint meetings of the secretariat of the Central Trade Union Council and the federal government, meetings that enable the coordination of the course of government and trade union bodies aimed at resolving elementary problems.

In the preparation and implementation of socioeconomic plans for the coming period we must count on the active participation of our young generation. After all, it is its future that is involved. Therefore, we are interested in its greatest possible participation in that. Economic personnel as well as trade unions must search for ways to more effectively influence the thinking, work and behavior of the youth, how to awaken in it the yearning for education and for improving its skills, interest in technology, in everything that is new and future-oriented. This is the most necessary investment from the viewpoint of the future. This requires entrusting concrete tasks to young people and paving the way for their creative activity in which they can make use of their abilities and initiative. This is the best school, as many of us can see from our own experience.

Comrades!

We are entering the concluding stage of the preparations of the Seventh 5-Year Plan and of the 1981 plan. The tasks which we are setting ourselves require the united endeavor of the party, state, economic and other social bodies and organizations.

We are convinced that we will succeed in the main thing--in increasing the effectiveness and quality of work as the prerequisite of the further development of our socialist society and of tranquil and happy life of all our people.

Jakes Speech

LD111516 Prague Domestic Service in Czech 1130 GMT 11 Oct 80

[Text] We shall now acquaint you with the contents of the contribution to the discussion at the 18th session of the CPCZ Central Committee by Comrade Milos Jakes, candidate member of the Presidium and secretary of the CPCZ Central Committee.

He noted that apart from pointing out positive results achieved over the past 5 years, Comrade Husak's speech and the report delivered by Comrade Strougal pointed out openly problems and shortcomings.

We will have to focus our attention in the precongress and further period on eliminating these problems and shortcomings in accordance with the fulfillment of the aims of further deepening a developed socialist society and social economic development in the Seventh 5-Year Plan.

He then spoke at length about the current situation and tasks in agriculture. He noted that, as in the entire economy, in agriculture too, thanks to the selfless work of the majority of working people, we have marked an advance in Sixth 5-Year Plan. By means of further industrialization, concentration, specialization and broader application of the findings of science in practice, thanks to the initiative of the people, the intensity of agricultural production has risen. In the harvest of cereals we achieved on the whole the levels set by the state plan: over 10 million tons, with a per hectare yield of 4.16 tons. The harvest of bulk fodder will be higher than the average in previous years. However, the harvest of some kinds of fruit and vegetables will fall considerably short of the plan targets. The production of potatoes is also less satisfactory. It is necessary to concentrate on reducing losses in the harvest and storage of potatoes. The situation is similar in the case of sugarbeet where, in spite of considerable efforts, in view of lower yields and sugar content the planned figures will not be achieved. In this case too it is necessary to do everything to minimize losses. All this necessitates great political and organizational work on the part of party organizations and managing economic bodies and a full deployment of working people in agriculture.

Comrade Jakes noted that conditions exist for the fulfillment of all tasks of producing livestock for the market. The milk and egg procurement plans will be surpassed.

Comrade Jakes then spoke about the aims of the development of agriculture and food industry during the Seventh 5-Year Plan. He stressed that he considers them realistic, but very exacting, and their fulfillment will require better implementation of all good experiences, faster exploitation of reserves and elimination of shortcomings. In agriculture, while ensuring production of 85 kg of meat per inhabitant, we are to reduce substantially imports of feed grain, a fact which puts great demands on priority development of crop production. The Seventh 5-Year Plan also places emphasis on raising self-sufficiency in fruit and vegetable production, while consumption also increases substantially.

The main tasks of the further intensification of agricultural production and the food industry will necessitate a development of their material base, which will demand considerable means. It will involve investments to ensure the development of crop and livestock production and a reduction of losses.

As in the entire economy, in agriculture and the food industry the improved system of planned management will be implemented. In this case too it is to assist an upsurge of high effectiveness and quality, a correct evaluation of the results of work of enterprises and individuals. It will put great demands on the activities of all leading and managing workers.

Comrade Jakes then spoke in detail about the improvement of the work of ministries and agricultural boards. In the future too only a correct evaluation and understanding of the situation and needs of the further evaluation and understanding of the situation and needs of the further development of our socialist society, and of the ways of achieving them, will be conditions for a successful fulfillment of economic development tasks, of the foundations of social certainties and of the living standards of working people.

More on Jakes Speech

AU151838 Prague RUDE PRAVO in Czech 11 Oct 80 p 3, 4

[Speech by Milos Jakes, secretary and candidate member of the CPCZ Central Committee, at the 18th session of the CPCZ Central Committee in Prague on 7-9 October]

[Excerpts] The grain harvest has been completed.

We expect that together with the corn harvest, the grain crop will amount to approximately 11 million tons. Very good results were achieved in oil-yielding crops--200,000 tons; that is, the plan was fulfilled 110 percent. This will enable us to reduce the imports of oil seeds.

Despite the achieved results, the plant cultivation plan was not fulfilled. We also did not fully succeed in mastering the corn and protein programs. The nonfulfillment of the tasks set by the plan, which in some respects--as it showed--exceeded the realistic potential of agriculture, was influenced particularly by 3 unfavorable years for farmers in the Sixth 5-Year Plan. No small part in that was played by the still inadequate standard of management, insufficient utilization of the existing reserves as well as the agricultural potential, and the short supply of agricultural machinery and chemical and pharmaceutical products.

The prerequisite for a successful operation of the perfected system of the national economy's planned management is that everyone know his task and how much he will receive for work well done. Because of the work of ranking personnel with low standards, the people very often do not know either the plan tasks or the conditions under which they work, be it production costs for a liter of milk or a kilogram of meat, the planned consumption of fodder, conservation of fuels, the system of personal incentives and so forth. If the perfected system is to be effective, economic personnel must quickly change this state of affairs in agriculture.

Husak Closing Address

AU161330 Prague RUDE PRAVO in Czech 15 Oct 80 p 1

[Report on speech by Gustav Husak, general secretary of the CPCZ Central Committee, at 9 October concluding session of the 18th CPCZ Central Committee Plenum]

[Text] Comrade Gustav Husak first stressed the importance of the 18th session of the CPCZ Central Committee which will become the platform for the entire party in the preparations for the 16th congress. He stressed the unanimity of the Central Committee which was demonstrated in the resolutions adopted and also in the basic attitude to the questions and problems discussed at the session. He also expressed his thanks for the trust that was expressed to the Presidium.

The broad, fruitful and creative discussion, which included 30 comrades from all regions and from the Prague and Bratislava city party organizations, Comrade Gustav Husak continued, contributed to enriching the ideas included in the two speeches. It was marked by a concrete, critical and self-critical spirit, a realistic, sober and balanced assessment of positive results, but also by a demanding analysis of the problems and shortcomings encountered in the individual work of the party and society. It included important work of the party and society. It included important suggestions and proposals which we will consider although, naturally, not all of them can for various reasons be implemented. It reflected the Leninist principle of work that, at the session of the Central Committee, we are summarizing the collective experiences of the party, its bodies and organizations, from the past years and in the last period.

In this context the unity of the Central Committee is decisive--a unity which has found its reflection in the assessment of the results of the activity of the party to date in the realization of the conclusions of the 15th congress in the political, economic and ideological sphere, in the assessment of the current internal and international situation, and also in planning our further progress in the forthcoming period. Thr gh all this the 18th session of the Central Committee provides the principled orientation for the entire party in the preparation of the 16th congress.

In the forthcoming period we are facing two closely interdependent basic tasks: above all it is the further raising of the effectiveness of our economy as a prerequisite for maintaining and further improving the high living standards of the people and strengthening their social securities. Secondly, it is consistent political-educational work. The point is to strengthen the conviction of millions of workers, farmers, members of the intelligentsia, and all strata of the people--communists and nonparty members--concerning the correctness of the policy of the party, to win them for a creative and active participation in the solving of future tasks discussed by the Central Committee. The activity of the party must be constantly focussed on this area, the activity of the entire social system of the National Front. The awareness and conviction of the people abount the correctness of our path represents, also for the future, a very important force in the further progress toward fulfillment of tasks in all areas.

The annual membership meetings of the primary organizations of the party will soon be taking place. They will be gradually followed by party conferences at all levels and, eventually, by the congress. We also intend to recommend that the National Front and the National Assembly convene shortly after the congress general elections to the representative bodies. This all will require great political-organizational, mass-political work of the party bodies, and all communists. The quality of this work will determine how well we shall be prepared for the congress and for the tasks we will face before and after the congress. Everything that has been said at this session of the Central Committee must be translated into the concrete conditions of every primary organization, and into the work of every communist. We must everywhere deeply think about the positive aspects of our activity which justify our pride, and at the same time there must be an understanding of the concrete and specific conclusions regarding all the difficulties, problems and weaknesses we still have.

The questions we have discussed in the political and above all economic sphere are here not for the first time. They are included in the program of the 14th and 15th congresses and we have dealt with them at practically every session of the Central Committee. They are valid also for the future. One thing, however, is new: Their solution is much more urgent. For this reason we must put much greater emphasis on the high responsibility of the party bodies and organizations, all communists--above all those who work in leadership positions, anywhere, for the implementation of the conclusions of the Central Committee, for a consistent realization of the policy of the party. Both in the center and the regions, in the districts and primary organizations, we are accepting good conclusions. The decisive thing is, however, that nowhere should they stay on paper only--they must be resolutely implemented. This determines the way of life of more than 15 million of our citizens and the further successes of our socialist society.

An important part is played in this by a more effective method of checking the work done in all spheres, and also more consistent conclusions in those cases when tasks, party and state duties, are not fulfilled.

Our party, the vanguard of the working class, is the leading force of society in our state. It has the right, as well as the duty, to act in such a way as to assess critically the work of its members, officials, and all who are entrusted with responsible posts in various spheres of the social and state life. Every communist is responsible for his work to his primary organization, to a higher party body, and he also has the duty to account for his work. This must be implemented not only when a comprehensive assessment of the cadres is being carried out but in all our activity. This all bears out the need to further deepen the leading role of our party, to improve the forms of the implementation of this role. This principal requirement, however, does not amount to the replacement of the social and mass organizations affiliated with the National Front, or the state and economic apparatus by the party. All these bodies have great rights and extensive authority in our society.

Naturally, they also have their unique responsibility for strengthening and multiplying the values of socialism. The demands on the methods and style of work are increased also by the fact that beginning 1 January 1981 a package of measures for improving the system of the planned management of the national economy will be introduced. Verbally, its principles are being approved everywhere. In practical preparation, however, in many places they are still behind. For example, the requirement to see to it that the measures being prepared are thoroughly discussed with the working people has been strongly emphasized since the result depends above all on whether people will understand and support everything. In some enterprises, however, little has been done right even at the beginning. So far, enterprises do not yet feel the pressure of the prepared economic measures. This does not mean, however, that they should not be preparing for their implementation with the utmost responsibility. The economic measures resulting from the adopted package will not be easy to realize. In some places we may come across deaf ears or even attempts to avoid more demanding economic criteria. It is therefore necessary to implement consistently and creatively the intentions of the set of measures according to the relevant circumstances and conditions, and to considerably increase everywhere attention to the preparation of their realization. In the entire party and managerial work we must be aware of the fact that the results we are achieving are strengthening the trust of the people in the policy of our party and our social system and that--on the contrary--shortcomings weaken this trust. All managerial elements must act in such a way as to help through their good work to multiply the authority of the party and socialism in our country.

Comrade Husak further dealt with some concrete questions of economic policy. He pointed out above all the necessity to raise the work level at the end of the year for the best fulfillment of the tasks of this year and the entire 5-year plan, and create a positive starting position for the start of the next 5-year plan.

Another task is linked with this: To complete in a responsible manner a challenging, realistic, balanced plan for 1981. This is no easy matter because of a number of existing internal problems and certain outside influences. But even greater attention must be devoted to this at all levels. State planning commissions, the planning commissions of the republics, ministries as well as production-economic units and enterprises have a great responsibility in all this. The state plans for the development of the national economy are not merely an administrative affair but a fighting program of the party in the socioeconomic sphere.

Communists, including leading workers, ministers and heads of enterprises are dutybound to display a responsible political approach to their preparation and then their fulfillment. Various manifestations of speculation and scheming which still occur are imcompatible with this.

At the meeting of regional and city party secretaries virtually all the comrades said that while party bodies insist that economic managers search and utilize systematically and actively all reserves for the fulfillment of the more demanding tasks, there is still frequent sluggishness and insufficient emphasis on the implementation of plans in the economic sphere. Instead of objective analyses and demonstrations, instead of an analysis of actual problems and existing possibilities, instead of a frank and concrete discussion about problems and ways and means of solving them, things are frequently dealt with in a formal manner, by paper work and administrative measures. Such methods cannot be tolerated. Everyone must understand the importance in the present situation of a correct reflection of the needs of society in the plans and at the same time ensure the needs of society: the requirement of efficiency and the mobilization of reserves.

We cannot accept only formal paperwork but we must see to it that targets should be set in a demanding manner and also be backed realistically. This requires considerable political work. We are placing great emphasis on the informal discussion of plans with the working people. People are entitled to know what tasks are in store for their factory or enterprise, what is expected of them and why, what conditions and prerequisites will exist for their work. People must also have the opportunity to submit their proposals and suggestions on all these matters. In party and trade union work, and naturally also in economic bodies all existing forms and opportunities must be utilized with the aim of daily winning and reinforcing trust and support of work teams.

Measures for material stimuli in the set of measures will help in many ways, but nothing can replace the political impact, persuasion and the awareness of people.

More intensive work on the prepatation of the Seventh 5-year plan is of exceptional importance. It will be the socioeconomic program of the party for the first half of the 1980's, for the further development of our society. We shall put this program to our citizens in the elections. Our aim is to ensure that the working people support it and that it is accepted by all organizations of the National Front. That is why its preparation must be approached with utmost responsibility, in a truly demanding party spirit, with a full view of the interests and needs of the working people, the resources and possibilities of the society of our socialist state.

This is applicable even more so because as has been discussed in previous speeches, the Seventh 5-Year Plan is being prepared under very demanding conditions. In its preparation we follow two basic requirements: First, we must make sure of the further growth of our economy. True, in the new circumstances it would not be realistic to anticipate such growth of production, creation and utilization of resources that we expected in the past. In any case, however, there will be a further growth of the economy. With the current standards of our economy every percentage point of growth represents a much greater volume of means than before.

Second, we are interested in maintaining and improving the achieved high standards in satisfying the material and cultural needs, the strengthening of the social securities resulting from the development of our social system. The attention to the needs of the people is and always will be our main goal. In doing this we must solve the complex tasks arising from the general conditions of our further economic development. It would be a mistake to simplify these conditions--but at the same time it is inadmissible to justify our own shortcomings by pointing out the more complex conditions. We must and can start from the fact that our party and society have the necessary powers and prerequisites to ensure the planned tasks. Of utmost importance is their effective utilization so that we can implement the positive approach and ensure in the 1980's a steady growth rate. In preparing the Seventh 5-year Plan we must take into consideration also the experiences accumulated in the Sixth 5-Year Plan.

The Presidium report discussed the fact that in the preparation of the Sixth 5-Year Plan we did not succeed sufficiently in estimating trends and that it was necessary to correct its intentions with annual plans. Due to the broad contacts of our country not only with the socialist countries but also the rest of the world, it is impossible now to determine everything exactly for the next 5 years. The point is, however, to achieve such an estimate that would be as close to future development as possible. A responsible approach amounts to a demanding but realistic preparation of the plan--and only such a plan is a prerequisite of the successful work and mobilization of the people.

Comrade Husak further discussed questions of investment development. He criticially pointed out the unsatisfactory fulfillment of the conclusions of the 15th congress in this area. The unacceptable fragmentation of the construction front, including almost 30,000 building projects now under way. The vast volume of resources frozen in the excessive volume of unfinished building projects, and the failure to meet commissioning deadlines, causes considerable losses. In the preparation of the plan for 1981 and the Seventh 5-Year Plan, it is necessary to ensure a radical change in this situation. In general, there is an agreement on the necessity to considerably limit the volume of investment projects and also on the necessity to stop certain actions after a thorough assessment of the situation. However, when it comes to concrete decisions, the situation is different. Everybody agrees with limiting investment--but they are asking for exceptions in their own case.

There is not a single town or village that would not like to build, to improve its environment. There is not a single enterprise without development intentions. Many of these things are sensible and useful. But in the given period of the next 5-year plan we cannot realize everything. At the top or the bottom, in the governments or planning commissions, in the ministries and in the production economic units, in the national committees, everywhere, it is a necessity of the Seventh 5-Year Plan to assess very critically the priority of investment development. Priority must be given to what quickly and best contributes to the raising of effectiveness, to the realization of our key tasks and intentions. We must concentrate our forces on the decisive tasks--those actions for which there will not be enough resources will have to be postponed. The burden of the unacceptable volume of incomplete projects which we have been carrying for years is impossible in the future. We must achieve an unavoidable change in the investment policy. The entire party must understand this unavoidability so that party bodies consistently put it into practice.

Referring to the question of scientific and technical progress, Comrade Husak said that we are not and cannot be satisfied with the pace at which we are advancing in our country, with the results of its application in production. Every work place, every research project and more particularly, management sectors must give very serious thought to this so that we do not lag behind the rest of the world. Concrete and realistic programs must be developed to overcome the existing scattering of forces in production and in research. Resources and funds must be concentrated on decisive trends.

Our people have the necessary knowhow and qualifications, they have access to modern science which must be better utilized. All questions pertaining to accelerating scientific and technical progress must be appraised with utmost seriousness and we must adopt a series of essential measures to speed up our work in this direction.

Comrade Husak then stressed the need for a more energetic effort toward greater economy in all areas. This applies not only to saving energy, fuel, metals, raw materials and production materials but to the overall utilization of financial resources.

Cases are still being discovered where these funds are not being spent economically, or where they are being openly squandered in every enterprise, organization and at every work place without exception. Strict economy measures must be imposed. This applies equally to our excessively vast administration apparatus. A critical analysis must be made of how they are fulfilling their duties, what is really necessary and what is an unnecessary luxury in our conditions. In the next 5-year plan we can anticipate only a minimal growth of manpower. It is therefore impossible to expand the administrative apparatus when modern production capacities remain underutilized due to a shortage of people.

A great deal has been said at our meeting about the question of management, Comrade Husak continued. We know that the results of all work depend on it to a decisive degree. We expect that the adopted set of measures will contribute substantially to improvement in this sector. But here, too, people who manage are decisive to everything. The examples mentioned in the discussion again confirm how the correct deployment of people, and prompt cadre changes help to fulfil tasks. In this respect we must greatly raise the demands on management sectors and management workers in ministries, economic production units and further bodies, on their political and professional maturity, awareness and energy.

We must make sure that responsible people are chosen to responsible posts. Anyone seeking a life of leisure cannot remain in a leading position. Cadre work is connected with this. It was correctly pointed out in the discussion that there are weak areas in the center, in intermediate sectors and in the rank and file in this respect. We must reinforce, improve and cement them step by step with responsible, politically and professionally qualified people. There is no other way. This is in no way an insensitive procedure. We never pursued and will never pursue such a cadre policy but life teaches us to consolidate things more thoroughly. This also corresponds to the line of our party, to the interests and conditions of the further development of society.

In the preparation for the congress we must reinforce the personnel base of party bodies at all levels so that they may fulfill their tasks. It is equally important to improve the quality of national committees, the Federal Assembly and subsequently the governments in the elections to ensure that in all places there should be people who measure up to current requirements and demands.

Everyone must be assessed on the basis of the work he has performed, on the basis of results attained in sectors entrusted to him.

A higher party and state work and civic discipline is an important demand. This is a task on which the attention of party and mass organizations must be focussed as well as of the entire economic sphere. People have their rights but they must also have their set responsibilities. This involves the disciplined fulfillment of tasks, the utilization of working hours, a struggle against all kinds of mismanagement and attempts to shirk duties. These questions, too, must be openly raised at our meetings in a communist fashion, and discussed with the working people. Tolerating them, closing one's eyes to them means to legalize shambles which exist in this sphere. The important thing is to create everywhere an atmosphere where only conscientious and honest work will be recognized.

In conclusion, Comrade Husak pointed out that at the 16th congress communists and our entire people will commemorate the 60th anniversary of the CPCZ.

We are drawing strength and determination for our future work from its glorious history, its struggles against capitalism and fascist occupation, and from the period of building socialism. The challenging spirit of the 18th session of the Central Committee must now be transferred to the entire party, to the deliverations of regional and district committees, to the impending annual membership meetings and party conferences.

At all these party deliberations it will be proper to appraise all that is good and deserving and criticize all that is bad, all that could and should be better. Criticism and self-criticism, Comrade Husak stressed, is one of the fundamental laws of the life and work of a Leninist party and it must under all circumstances be applied everywhere in a responsible manner. Our party is strong, united, ideologically firm, capable of action and firmly linked with the people. We have all the conditions to master all the tasks discussed by the Central Committee so that we may submit to the 16th congress a positive balance sheet of the attained results. We are convinced that with the active help and support of the broad sections of the working people and on the basis of their confidence in the policy of the party, we shall proceed with certainty in building an advanced socialist society in the future.

SLOVAK NATIONAL COUNCIL CONVENES 16 OCTOBER

Discussion of Socialist Legality

LD161104 Prague Domestic Service in Czech and Slovak 1000 GMT 16 Oct 80

[Text] The 17th meeting of the Slovak National Council started in Bratislava today. The meeting is to discuss the report of the prosecutor general of the Slovak Socialist Republic on the state of socialist legality with special emphasis on legality in the activity of the bodies of state administration of the Slovak Socialist Republic.

Deputies Comments

LD162240 Prague Domestic Service in Czech 1730 GMT 16 Oct 80

[Text] Deputies at today's Slovak National Council session in Bratislava dealt with the observance of socialist legality, with special regard to legality in the activity of the state administration bodies of the Slovak Socialist Republic. The deliberations were attended by the members of the CPCZ Central Committee Presidium: Jozef Lenart, first secretary of the CPSL Central Committee, Peter Colotka, Slovak premier, and other representatives. Viliam Salgovic, chairman of the Slovak National Council, recalled the connection between today's deliberations and the significant 18th CPCZ Central Committee session and the meeting of the CPSL Central Committee. He expressed his conviction that the period of preparation for the 16th CPCZ Congress the CPSL Congress and the general elections will become a great mobilization of minds, strength, fruitful work and commitment for the successful fulfillment of the tasks of the Sixth 5-Year Plan and for a constant implementation of conclusions and measures of the party and state bodies in all fields of social life, particularly in preparation for the Seventh 5-Year Plan. One of our important tasks, said Comrade Salgovic, is to contribute to the protection of rights and interests of citizens and at the same time demand fulfillment of duties and observance of socialist legality.

Deputy Ladislav Abraham told the Slovak National Council how trade unions fulfill the functions of an organizer in the participation of workers in the management and administration of a socialist state and, at the same time, defend their legal rights and justified interests.

He stated that in the protection of legal rights of working people and expansion of socialist legality, social control, as codified in the proposal of the fourth trade unions congress, plays an irreplaceable role. Comrade Ladislav Abraham said that social control is carried out by all works' committees, of which there are more than 7,500 in Slovakia.

FOJTIK ATTENDS SOUTH MORAVIAN CPCZ COMMITTEE PLENUM

LD162023 Prague Domestic Service in Czech 1730 GMT 16 Oct 80

[Excerpt] The elaboration of the results and conclusions of the 18th session of the CPCZ Central Committee in conditions of the regional party organization was on the agenda in Brno today at the plenary meeting of the South Moravian Regional CPCZ Committee. The deliberations were attended by Jan Fojtik, secretary of the CPCZ Central Committee.

NORTH BOHEMIAN CPCZ SECRETARY SCORES ECONOMIC SHORTCOMINGS

LD161811 Prague Domestic Service in Czech and Slovak 1400 GMT 16 Oct 80

[Text] Implementing the conclusions of the 18th session of the CPCZ Central Committee with regard to annual membership meetings and conferences as the main item on the agenda of a meeting of the North Bohemian Regional CPCZ Committee at Usti nad Labem today. It also evaluated the fulfillment of state plan targets in connection with the preparation of the Seventh 5-Year Plan and discussed the problems of the North Bohemian brown coal basin. The meeting was attended by a delegation of the CPCZ Central Committee led by its Secretary Josef Haman.

Jaroslav Hajn, chief secretary of the North Bohemian Regional Party Committee, noted that the North Bohemian Regional party organization is entering the phase of preparing for the 16th CPCZ Congress with a whole range of positive results. Better use is being made of domestic raw materials, especially in the glass and paper industries, but in spite of this deviations have occurred from the objectives of the Sixth 5-Year Plan.

He said the biggest problems are shortcomings in the sphere of the efficiency of the reproduction process. It has not been possible to ensure a better utilization of raw materials and production materials. He adopted an exceedingly critical attitude to the administrative distribution of the targets of the Seventh 5-Year Plan. Moreover, the submitted draft enterprise plans for next year do not correspond to requirements. Comrade Hajn said that the reason is that the implementation of tasks is being approached the old way. The North Bohemian Regional CPCZ Committee will demand a reassessment of these plans and their responsible discussion with the working people.

BRIEFS

MINISTER TO DENMARK--At the invitation of Erling Jensen, Danish minister of commerce, Andrej Barcak, Czechoslovak minister of industry and trade, left by air for Copenhagen today. During his visit he will discuss possibilities of further development of economic relations between Czechoslovakia and Denmark. [Text] [Prague Domestic Service in Czech and Slovak 1000 GMT 13 Oct 80 LD]

BRITISH ENERGY MINISTER--James Gray, British minister of state for energy, arrived in Prague on 6 October at the invitation of Vlastimil Ehrenberger, CSSR minister of fuels and power. In the course of their talks the two ministers will brief each other on the fuel-power situation in their countries and discuss possibilities for expanding mutual cooperation. [Prague RUDE PRAVO in Czech 7 Oct 80 P 2 AU]

NEW ENTERPRISE DIRECTOR GENERAL--J. Taborsky, new director general of the Agroprojekt enterprise, was installed in office on 29 September by Czech Minister of Agriculture and Food M. Petrik. [Prague ZEMEDELSKE NOVINY in Czech 30 Sep 80 P 6 AU]

FRG POLITICAL CIRCLES DISCUSS GDR STATE CITIZENSHIP

LD163016 East Berlin ADN International Service in German 1523 GMT 16 Oct 80

[Text] Bonn, 16 Oct (ADN)--Controversy in FRG political circles has increased of late over the need to recognize GDR state citizenship. Bonn's refusal to recognize GDR state citizenship has long been the subject of discussion. In this context it is recalled that the Federal Republic has been called on by realistic circles on several occasions in the past to recognize and respect GDR state citizenship.

As early as March this year the Young Democrats' federal conference called for recognition of GDR state citizenship. A resolution states: "The nonrecognition of GDR state citizenship constitutes permament interference in the GDR's sovereignty and thus interference by a NATO state in the concerns of a Warsaw Pact state." In addition, the Young Democrats expressed the view in their resolution that the recognition of GDR state citizenship would be a logical step in the "further development of the policy of detente."

Schulz, deputy chairman of the Young Socialists, who attended the conference as a guest, said on this subject: "The GDR is a sovereign state with a state people, a state territory, state frontiers, and it is therefore a matter of course that the state citizenship of the population of this country should be recognized.

In March, the executive of the Lower Saxony Young Democrats also drew up a proposal for the recognition of GDR state citizenship, which was addressed to the Lower Saxony FDR party congress. Stasck, regional chairman of the Young Democrats said in this connection that he who rejected recognition did not know the facts.

The Baden-Wuerttemberg Young Socialists at their February regional conference called for the recognition of GDR state citizenship. In an interview in August the Young Socialists' deputy chairman, Wolf, came out in favor of the recognition of GDR state citizenship by the federal government.

NEW EXCHANGE REGULATIONS EXTENDED TO WEST BERLIN DIPLOMATS

LD161112 Hamburg DPA in German 1019 GMT 16 Oct 80

[Text] Berlin, 16 Oct (DPA)--The GDR is apparently trying to extend to diplomats accredited in West Berlin the compulsory currency exchange requirement for Western visitors to East Berlin and the GDR. The consulate general of an Asian country in West Berlin told DPA today that GDR officials at the "Checkpoint Charlie" border crossing point for foreigners asked the consul general last Monday to comply with the minimum exchange requirement which on that day had been raised to DM25. When he refused because diplomats were until now exempt from this regulation he was refused entry.

On Tuesday, when members of a West Berlin consulate wanted to accompany the ambassador of another country to his embassy in East Berlin, a high-ranking member of their own country's East Berlin embassy was first asked to come to West Berlin in order to accompany the visitors. At "Checkpoint Charlie" they were again asked to pay the minimum exchange requirement. The refusal to do so by the diplomat accredited in East Berlin was followed by a wait of about 30 minutes, after which entry was finally granted.

It has been learned from circles of the Western allies in Berlin today that these events are being carefully watched and will be raised with the USSR in due course.

A spokesman of the British Military Government confirmed on inquiry that the GDR authorities had tried "in individual cases" to apply the compulsory minimum exchange requirement to diplomats. "This does not affect the right of the allies to freedom of movement in Greater Berlin," the spokesman said on behalf of the three Western allies. When asked whether the Western powers had already contacted the USSR in this matter the spokesman declined to comment.

COMMENTATOR REJECTS SUGGESTIONS OF ICY EAST-WEST CLIMATE

DW171051 East Berlin Domestic Service in German 1813 GMT 16 Oct 80

[Manfred Klein commentary]

[Text] The propaganda of the West is imbued with terminology of the approaching winter. A cold spell has broken out in Europe. Frost has crept into political relations.

NEUE ZUERCHER ZEITUNG writes that in Bonn where people never are at a loss for dramatic formulations, there is even talk of the beginning of a new glacial period possibly in the entire East-West relationship.

The exaggerated assessments of the situation which are nearly identical with respect to the choice of vocabulary and which alarms the West European public are intended to convey a dual impression: First the frost, or the glacial period, has broken out in Europe nearly overnight; and second, the East is culpable of that, of course, once again. This has nothing in common with reality and is just a dense cloud over the truth--to stick to the weather associations.

What has happened has not happened overnight at all. If people wish to talk about frost, about a situation that has become more complicated, about explosive charges against detente, then it is necessary to envisage greater periods of time as well as different initiators. This is neither the place nor the time for expounding in detail the history of detente policy and its initiators and opponents. Only, it is a fact that influential imperialist quarters anticipated from detente policy something entirely different from what really came of it.

They had to realize that ranging from the European treaties over the Final Act of Helsinki up to the military balance established by socialism a security framework had emerged which was at odds with their urge for expansion and violence. Everything that happened subsequently, the arms decisions of NATO of 1978 aimed at superiority, the Brussels missile decision, was intended to set things straight again in the aggressive sense of the word, meaning, and I repeat, that the frost did not set in overnight, and its originators must be sought where they hypocritically lament the worsening of climate.

A specific and very revealing element of this aggravation is the careless dealing with the sovereignty of other states, not to say its disregard. Let us recall: the recognition of the principles of sovereignty and nonintrusion were veritable pillars of the Final Act of Helsinki because it is solely on these pillars that the structure of normalization of relations and of good neighborliness can be built.

But the Milan paper CORRIERE DELLA SERA goes and calls the GDR an artificial structure and thus parrots what the enemies of socialism and the ignorers of reality have been reciting for years in the Federal Republic. The older people among us will recall that Adenauer and his people considered the GDR a mere provisional structure or, what was even more nebulous, a mere phenomenon; and one need not, of course be so particular about artificial structures, phenomena, or provisional structures.

Yet the miracles which they anticipated from this kind of policy never materialized. The decisive stop sign remains set for imperialism and counterrevolution on the Elbe and Werra Rivers. Only he who is not particuilar about sovereignty and nonintrusion also is not particular about equality and equal security--he wants to tip the scales. Keeping them in balance is the policy of peaceful coexistence--these are its obligations under international law, obligations by which we strictly abide and which determine our policy toward the FRG as well as toward other Western European states.

FISCHER GREETS FINNISH PRIME MINISTER DURING STOPOVER

LD162100 East Berlin ADN International Serivce in German 1706 GMT 16 Oct 80

[Text] Berlin, 16 Oct (ADN)--Mauno Koivisto, prime minister of the Republic of Finland and his wife, a member of the Helsinki town parliament, made a stopover in the GDR on Thursday on their way to the SFRY where they will pay an official visit. Foreign Minister Oskar Fischer welcomed the prominent visitors on their arrival at Berlin-Schoenefeld Airport on behalf of the GDR Government.

During their lively and friendly exchange of opinions on bilateral relations as well as international questions, Oskar Fischer and Mauno Koivisto expressed their satisfaction over relations between the GDR and Finland, which have been comprehensively developed. At the same time they laid emphasis on the purposeful implementation of the agreements made between Erich Honecker, general secretary of the SED Central Committee and chairman of the GDR State Council, and Dr Urho Kekkonen, president of the Republic of Finland, during the latter's state visit to the GDR. Both sides are striving to continue developing the ties between both states.

This is of particular importance in view of the tense international situation, which requires greater efforts to ensure the continuation of the process of detente and to attain a real move towards arms limitation and disarmament.

Thye agreed that a constructive approach by all parties at the Madrid meeting could exert a positive influence on the international climate and could deepen cooperation in Europe.

Oskar Fischer conveyed cordial greetings from Willi Stoph, chairman of the Council of Ministers, to the Finnish prime minister which he returned.

BRIEFS

MINISTER'S VISIT TO FRANCE--Guenther Wyschofsky, GDR minister of Chemical Industry, visited France at the head of a delegation from 2-7 October at the invitation of the French Government. Minister Wyschofsky conducted talks with Rene Monory, minister of economy, and Michel Freyche, chairman of the French side of the mixed GDR-French Governmental commission. At meetings with the presidents of important French concerns, the minister discussed opportunities for closer cooperation. Several protocols and agreements on long-term cooperation between combines and foreign trade enterprises of the GDR and French enterprises were signed. [East Berlin NEUES DEUTSCHLAND in German 8 Oct 80 p 2 AU]

TRAFFIC ACCIDENT DECREASE--In view of the hardships in fall and winter attributable to weather conditions, the traffic police have called for special caution, attention and consideration when driving. During the past 9 months 37,811 traffic accidents occurred in the GDR in which 1,267 people were killed and more than 31,000 injured. Despite the 4.5 percent decrease in accidents as compared with the same period of the preceding year, there is no call for self-complacency. [East Berlin Domestic Service in German 1202 GMT 14 Oct 80 DW]

NEPSZABADSAG RESPONDS TO UK, U.S. COVERAGE OF TRADE UNIONS

LD151958 Budapest MTI in English 1716 GMT 15 Oct 80

[Text] Budapest, 15 Oct (MTI)--NEPSZABADSAG, daily of the HSWP, in a brief article carried in the paper's Wednesday issue, reacts to one of the news items in connection with Hungary published by the English paper GUARDIAN and the UPI American news agency.

"It is always a pleasure for us if the events of our country attract attention abroad, if they give a realistic picture of our successes, troubles, development or simply of how we try to improve our deficiencies.

"Thus we in reality should have been glad at reading the article in the English paper GUARDIAN, which on the basis of a report by the UPI Americans news agency from Budapest, informs that the representatives of the Hungarian trade unions met with the leaders of the government to discuss economic questions, improving planning, incentive wages. In short we should be pleased to read this item, if....

"If had it not appeared in such a way that this was the first time that the Hungarian trade unions and the leaders of the government discussed such questions.

"But naturally this was not the first time. The trade unions and the leaders of the government regularly meet to discuss various questions concerning the workers.

"Thus this is not an event which took place for the first time, just as this is not the first time that the GUARDIAN or the UPI publishes an article on Hungarian reality which is not in accordance with the facts."

AFGHAN PEACE DELEGATION ARRIVES, ATTENDS SOLIDARITY RALLY

LD170906 Budapest MTI in English 0620 GMT 17 Oct 80

[Text] Budapest, 16 Oct (MTI)--Invited by the Hungarian Peace Council and the Hungarian Solidarity Committee, a delegation of the Afghan peace and solidarity organization including the president of the organization Zyar Mojawer Ammad, department head university professor; Zakai Abdul Tawab, assistant to the international relations department of the United Afghan People's Democratic Party; and Yusufi Akhtar Mohammad, chief director of the editorial office of the Ministry of Education, arrived in Hungary on Thursday.

The delegation had talks with Bela Kovacs, secretary of the National Council of the Hungarian Patriotic People's Front, and with Sandor Harmati, chairman of the Hungarian Solidarity Committee.

In the afternoon the delegation attended a solidarity rally in Budapest.

Jozsef P. Szabo, member of the Hungarian Solidarity Committee and editor at the Hungarian radio, praised at the rally the struggle of the Afghan people's democratic system for consolidation and against the counter-revolutionary attacks engineered by imperialist forces. He described the circumstances of the victory of the Afghan revolution, the internal and external conditions which determine the country's present position. Zyar Mojawer Ammad also addressed the meeting. The participants expressed solidarity with the struggle the Afghan people fought with the help of the Soviet Union and the socialist countries against the counter-revolutionary attempts enjoying the armed support of international imperialism. They stressed that manifestation of solidarity bore special importance in the present international situation when those forces which try to block the progress of the Afghan revolution employ open military threat, political and economic pressure, and burst local conflicts in other places of the world putting thus the world's peace in risk.

FINANCE MINISTER HETENYI VISITS DENMARK, FINLAND

LD161128 Budapest MTI in English 1032 GMT 16 Oct 80

[Text] Budapest, 15 Oct (MTI)--Hungarian Finance Minister Dr Istvan Hetenyi concluded his two-day visit in Denmark. During his stay he reviewed with Finance Minister Svend Jakobsen, other members of the Danish Government and with managers of the central bank bilateral economic and financial contacts. The sides examined the forms of expanding cooperation by taking advantage also of the tax agreement signed last year.

At the invitation of Finnish Finance Minister Ahti Pekkala, Istvan Hetenyi arrived on an official visit in Helsinki on Wednesday. He was received by Premier Mauno Koivisto.

ACZEL RECEIVES YUGOSLAV INFORMATION SECRETARY

LD152200 Belgrade TANJUG in English 2111 GMT 15 Oct 80

[Text] Belgrade, 15 Oct (TANJUG)--Hungarian ministerial council vice chairman and Hungarian Socialist Workers' Party Politburo member Gyorgy Aczel today received Yugoslav Federal Secretary for Information Ismailj Bajra. Bajra is on an official and friendly visit to Hungary.

During the ensuing exchange of views on relations between the two countries, both sides assessed Yugoslav-Hungarian relations, including relations in the field of information as highly developed and continually on the ascent.

DELEGATION RETURNS TO BUDAPEST FROM PYONGYANG

LD161854 Budapest MTI in English 1730 GMT 16 Oct 80

[Text] Budapest, 16 Oct (MTI)--The delegation of the HSWP, which attended the 6th Congress of the Workers' Party of Korea and the ceremonies held on occasion of the 35th anniversary of the party's founding, returned to Budapest from Pyongyang on Thursday. The delegation was led by Lajob Mehes, member of the HSWP Political Committee and first secretary of the Budapest Party Committee.

KADAR CHAIRS MSZMP CENTRAL COMMITTEE SESSION

LD162340 Budapest MTI in English 1742 GMT 16 Oct 80

[Text] Budapest, 16 Oct (MTI)--Under the chairmanship of Janos Kadar, first secretary of the HSWP CC, the Central Committee met in session Oct. 14, 1980.

The CC discussed and approved reports on actual international questions, the basic principles of improvement of industrial management, and on the situation and new rules of paying party membership dues.

Communique will be issued about the meeting.

BRIEFS

ROMANIAN PROSECUTORS' DELEGATION--A Romanian public prosecutors' delegation has discussed cooperation between the Hungarian and Romanian prosecuting organs in Budapest. The delegation, which was led by Nicolae Popovici, the Romanian prosecutor general, was received by Rezso Trautmann, deputy president of the Presidential Council, and Imre Markoja, minister of justice. The Romanian delegation was farewelled at the western railway station by Karoly Szijarto, supreme prosecutor. [Text] [Budapest Domestic Service in Hungarian 1400 GMT 12 Oct 80 LD]

GOVERNMENT, STEELWORKERS UNION REPRESENTATIVES MEET

LD162120 Warsaw PAP in English 2012 GMT 16 Oct 80

[Text] Warsaw, 16 Oct (PAP)--A several hour long meeting between members of the government commission and representatives of the interfactory founding committee of the Solidarnosc independent, self-governing union has ended today at the Katowice steelworks, where the committee has its temporary headquarters.

Postulates of the metallurgical industry crews and mode of their implementation have been discussed in detail. In the focus of attention have been the issues connected with the work conditions and health protection of metallurgists, pay and welfare problems as well as questions of employment and cadres. Suggestions made by workers and concerning further modernization of Poland's metallurgical industry have been also examined.

In the course of debate on problems put forth by the employees of construction enterprises a difference of opinions has emerged on the extent of wage rises to be introduced in the building industry. The realization of the wage increases postulate entails the necessity to introduce a new pay system and organization of work as well as to improve the work discipline, Vice-Premier Aleksander Kopec emphasized during the meeting. A programme of measures intended to secure means needed for the realization of that postulate will be presented by the government commission which should meet again with the interfactory founding committee not later than October 23, 1980. This meeting will be attended by Vice-Premier Aleksander Kopec and Minister of the Building and Building Materials Industry Edward Barszcz.

The commission will also present on the scheduled date its stand on the postulates submitted by crews of the building industry transport workers, as well as on changes in the piecework rate system.

AGREEMENT SIGNED WITH CHEMICAL WORKERS UNION

LD162122 Warsaw PAP in English 2000 GMT 16 Oct 80

[Text] Warsaw, 16 Oct (PAP)--The Main Board of the Chemical Industry Workers Union and the Polish minister of chemical industry have signed here an agreement on the implementation of the key postulates put forth by the crews and trade union organizations operating at the chemical industry enterprises. The agreement provides, among other things, for favourable changes in the pay regulations, sick-leave benefits and greater privileges for the employees in connection with the hard work conditions. It also envisages ventures aiming to improve the conditions of the employees' rest, life and work.

It was agreed that the minister of the chemical industry would convey the text of the document to industrial amalgamations and enterprises controlled by his ministry. The trade union of the chemical industry workers and the Chemical Industry Ministry are to make an evaluation of the implementation of the agreement before the end of this year.

TEACHER'S UNION RESOLVES TO QUIT CENTRAL COUNCIL

LD161518 Warsaw PAP in English 1429 GMT 16 Oct 80

[Text] Warsaw, 16 Oct (PAP)--The 13th national congress of the Polish Teachers' Union (ZNP) ended here yesterday. More than 400 delegates of all the teachers' communities in this country debated for two days on the wages and living conditions of Polish teachers as well as the reform of education.

The congress passed a resolution to quit the Central Council of Trade Unions.

Speakers pointed to paramount difficulties connected with textbook shortages, and came out for the improvement of the present school programmes, stressing the need for preserving the present shape of secondary schools with long-standing traditions.

The congress sent a delegation with a letter to Professor Tadeusz Kotarbinski, an honorary member of the union, with the words of deep respect for his scientific achievements which have become a lasting contribution to the development of Polish science, and for his prestige of a great humanist, educator of numerous university teachers.

The [word indistinct] meeting of teachers also sent a congratulatory message to the winner of this year's Nobel Prize for literature Czeslaw Milosz.

LABOR PROBLEMS, PROPOSALS DISCUSSED AT GDANSK MEETINGS

LD170950 Szczecin Domestic Service in Polish 1540 GMT 16 Oct 80

[Text] A meeting of the collegium of the association made up of representatives of the Solidarity independent and self-governing trade union, first secretaries of the factory party committees and heads of the factory councils at individual building enterprises opened 1 hour ago at the enterprise of social services in the building industry. The collegium will discuss the conditions of plan fulfillment in the fourth quarter of this year and the demands and proposals by the work forces concerning the Gdansk building association.

A meeting of the shipyard administration with representatives of the founding committee of Solidarity is also taking place at the Lenin shipbuilding yard in Gdansk. It is discussing the statute of the independent trade unions and present production at the enterprise. The possibility will also be discussed of treating next Saturday as a day off.

VOIVODSHIP PARTY COMMITTEE MEETINGS CONTINUE THROUGHOUT COUNTRY

Bydgoszcz Leadership Changes

LD161730 Bydgoszcz Domestic Service in Polish 1600 GMT 16 Oct 80

[Text] A plenary session of the party voivodship committee in Bydgoszcz was held to discuss organizational matters.

The plenum debate was attended by Zdzislaw Kurowski, party Central Committee secretary. The voivodship committee plenum accepted the resignation of Jozef Majchrzak from the post of forst secretary of the voivodship committee, and of Tadeusz Ludwikowski and Viktor Soporowski, secretaries of the committee.

Members of the party voivodship echelon, representing various social and vocational milieus, cordially thanked the resigning secretaries for their many years of work and personal contribution to the expansion of the party organization and the economic achievements of Bydgoszcz Voivodship.

On behalf of the Politburo and the Central Committee Secretariat, a word of thanks was also given by Zdzislaw Kurowski, who then recommended Henryk Bednarski to the post of first secretary of the party voivodship committee in Bydgoszcz. The plenum accepted the candidature unanimously.

Henryk Bednarski is 46 years old. He has worked as a teacher, has been secretary of the PZPR district committee in Tuchola and chairman of the Rural Youth Union voivodship executive, was later head of the science department in the voivodship committee, and was recently prorector of the higher pedagogical school and director of the intervoivodship party school in Bydgoszcz. He is a lecturer and doctor of humanities.

In addition, today's plenum elected the following to the post of voivodship committee secretaries: Bogdan Dymarek, Bydgoszcz deputy voivodship governor, and Zenon Zmudzinski, first secretary of the municipal-parish committee in Labiszyn.

In his speech at the plenum, Central Committee Secretary Zdislaw Kurowski spoke at length on party issues and on the need for effective action to resolve the difficult social and economic problems. He underlines the importance of the renewal of life and the need to preserve close bonds between the party and the working man. He said that the supreme task of the party is to represent the interests of the working class well, to support the implementation of the accords and to conscientiously carry out the precepts of the social contract.

The meeting concluded with a speech by Henryk Bednarski, first secretary of the party voivodship committee. He outlined some of the problems demanding attention and an urgent solution. He stressed that one of the fundamental tasks was the need for party leadership in the movement of social reneal. He said that what is needed is continuous systematic supervision over the suggestions and demands submitted in Bydgoszcz Voivodship, as well as assistance to the trade unions now being organized.

Henryk Bednarski also dwelt at length on the change of style of party work which could be assisted by collegiality, discontinuation of the principle of administration by party echelons, and also broad consultation on every decision. An important part in everyday work and in the winning of the community's trust could be played by better and more honest information.

In conclusion the participants in the plenum sang the Internationale.

Piotrkow Trybunalski Plenum

LD170942 Lodz Domestic Service in Polish 1540 GMT 16 Oct 80

[Excerpt] A plenary meeting of the voivodship party committee opened today in Piotrkow Trybunalski. A report was made by Stanislaw Skladowski, first secretary of the voidvodship party committee. He stated among other things that in the past 9 months, 13 industrial enterprises and 11 cooperative centers have failed to fulfill their plans to the value of over 200 million. Not all enterprises are fulfilling their tasks in market production and the arrears in fulfillment of export plans amount to over 300 million.

Opole Committee Meeting

LD170930 Warsaw Domestic Service in Polish 0300 MT 17 Oct 80

[EXcerpt] The party voivodship committee plenum which started in Opole yesterday will be held in several stages. During the next few days members of the committee will familiarize party organizations in different areas with the contents of a paper by the voivodship committee executive. The plenum will resume on 23 October to discuss the contents of the paper and to adopt a resolution which will take into consideration the views of local party organizations.

RUMORS, 'ACUTE ANXIETY' OVER HONECKER REMARKS REPORTED

LD161455 Paris LE FIGARD in French 15 Oct 80 p 3

[Bernard Margueritte dispatch: "Acute Anxiety in Poland"]

[Text] Warsaw--Erich Honecker's remarks, cited without commentary in all Warsaw newspapers, were the only topic of conversation in the Polish capital yesterday. It is probably an understatement to say that they have had the effect of a cold shower. Mr Honecker's assertion that "the GDR cannot be indifferent to the fate of People's Poland" is especially causing acute anxiety, as is the East German leader's denunciation of "antisocialist forces" which are allegedly at work in Poland, and of the support they are allegedly receiving from the West, notably from the "imperialist mass media."

Indeed, these statements are undoubtedly the clearest and most formidable utterance so far made by representatives of the socialist camp about the situation in Poland. For the first time the leader of a Warsaw Pact country has adopted a tone which is unfortunately reminiscent of the one used in 1968 before the invasion of Czechoslovakia. It is, therefore, easy to understand with what gravity it has been noted here.

Alarmist rumors are already circulating in Warsaw and are being repeated by people at work and on the buses. They should probably be taken with great caution at present and regarded more as the reflection of an atmosphere which has suddenly become gloomier rather than as serious pieces of information. For instance, it is being said that, if there were to be a military intervention against Poland, it could be carried out by the GDR and Czechoslovakia without the Soviet Union taking part. According to these rumors, some people are already considering this plan.

This rumor and this fear may simply stem from the fact that it is in those two countries that the bitterest criticism is at present being heard. It is nonetheless true of course that that is probably a "socialist division of labor" skillfully orchestrated by the Kremlin.

In this situation the Poles now have no hesitation in telling you in the course of numerous conversations that they fear, in particular, the period between 5 November and 20 January, in other words, between the U.S. presidential election and the date he takes office--a period in which there would be a kind of political vacuum in the West.

All that may be exaggerated and premature at the moment but it certainly confirms--if that was necessary--that the Polish crisis is obviously far from being settled. That is why people here are notably attaching great importance to the stance which the Polish bishops will take Friday at the end of their plenary conference.

SEJM MARSHAL GUCWA INTERVIEWED ON LEGISLATIVE TASKS

LD161544 Warsaw PAP in English 1411 GMT 16 Oct 80

[Text] Warsaw, 16 Oct (PAP)--"I think the society is right in pinning its hopes on the Sejm for the democratization of our social life," stated Marshal of the Polish Sejm (parliament) Stanislaw Gucwa in an interview for the United Peasant Party daily DZIENNIK LUDOWY.

"Our parliament may play in this realm a significant role, as might be evidenced, among other things, by the latest session of the Sejm which concentrated on two important issues. Firstly, on the strengthening of the Sejm's own role by creating the possibilities of all-round control of government activity as we [words indistinct]. This has been signified by making the Supreme Chamber of Control (NIK) accountable to the Sejm and by expanding the system of control which now embraces not only the control of the state but also gives greater efficacy to the committees of social control.

"Another problem deals with the approach to the key economic and social issues. It will be the first time that the Sejm is going to discuss in two stages the development of the economic policy.

"Currently, all the Sejm committees are working at full steam. The Sejm Legislation Committee is also on active duty since the process of democratization requires many institutional solutions and thus new legal regulations need to be created."

"The new legal status of the Supreme Chamber of Control creates considerably greater possibilities for controlling the states and its organs. At this moment the Sejm Praesidium ordered the Supreme Chamber of Control to inspect and evaluate all the investment projects undertaken outside the plan in the last 10 years.

"Another task which we gave the NIK is the assessment of the licences purchased over the past 10 years.

"All that means that the parliamentary discussion on the draft plan and budget for the entire quinquennium will be preceded by the assessment made by NIK at the Sejm's request.

"We'll have to carry out rather significant changes in the form of renewal of many regulations connected with the functioning of the state. There is an initiative to work out a law on planning.

"The Sejm and its committees will thus, in the future, work energetically on adjusting the legislation to the system of social democratization and on the legal order which is furnished with a host of contradictory regulations. This also applies to the farming law.

"A different sphere of the Sejm activity is the work on the subjects which stem from the implementation of our social policy. Such a subject is, for example, health protection. We also have to turn again to the reform of education.

"In the first quarter of the coming year we'd like to devote one of the plenary debates to the state of culture.

"Quite a few subjects of this kind could be singled out, one of them is the reform of the nation's economic system," stated Poland's Sejm marshal.

ECONOMISTS EXAMINE GOVERNMENT'S MEAT RATIONING PLAN

LD161518 Warsaw PAP in English 1418 GMT 16 Oct 80

[Text] Warsaw, 16 Oct (PAP)--The meat rationing announced by the 6th plenary meeting of the PUWP CC and government representatives at the Sejm session has stirred nationwide interest.

A PAP journalist talked to scientists watching professionally the domestic market: Director of the Institute for Internal Trade and Services Assist, Prof. Teresa Palaszewska, and her closest associates: Professor Tadeusz Sztucki and assist. Prof. Brunon Gorecki. Following are the main points of the talk:

"The worst solution," stated Prof. Sztucki, "would be the introduction of meat coupons for the co-called basic minimum, whereas the rest of meat would be sold at commercial prices. Already now meat consumption considerably varies, depending on the level of personal income. In the low income brackets meat consumption is twice as small as in the income highs. Setting the minimum at the comsumption level of the people in the income lows would push considerable amounts of meat on the so-called free market."

"The whole system must be controlled on the day-to-day basis," emphasized Assist. Prof. Palaszewska, "depending on the current economic capacity. A good solution would be, for instance, permitting the buyers for rationed purchases, with the basket size set every month. [sentence as received]

"A matter that raises concern is the dualism in meat prices in this country. Therefore, the introduction of coupons should be matched with constant improvement of the price system. [words indistinct] prices also creates better conditions for relatively smooth transition from the coupon system to normal marketing, for this system ought to be viewed as interim and as such it should embody mechanisms facilitating its self-liquidation.

"One cannot forget that rationing of such a stale food as meat would undoubtedly affect the structure of demand for other foods. If it turns out that it meets with social satisfaction and that it functions well, there can appear pressures for expanding the system also on the other goods. On our market, where there are still many deficit goods, this tendency may be very strong. However, one cannot forget that it practically fosters the phenomenon of market instability. If we embraced with the coupons more than absolutely necessary goods, the currency would automatically depreciate and become a worthless paper. This is very serious danger."

LE FIGARO REPORTS ON PZPR PLENUM, SEJM SESSION

LP101055 Paris LE FIGARO in French 9 Oct 80 p 4

[Bernard Margueritte Dispatch: "Poland: The Reforms Continue"]

[Text] Warsaw--At yesterday's session Poland's Sejm (parliament) did its best to confirm that the program of renewal and democratization has indeed been well and truly launched. First of all it embarked on a relatively important ministerial reshuffle.

Two new deputy chairmen of the Council of Ministers were indeed appointed to replace Mr Barcikowski and Mr Grabski, who were recently promoted to the party Secretariat. The new deputy chairmen are Mr Kowalczyk and Mr Mach, hitherto ministry of internal affairs and minister of ligh industry respectively. As for the ministries, there are changes at the head of the ministries of internal affairs, culture (where Mr Tejchma returns), heavy industry and light industry, mining and, finally, the food industry. In most cases a deputy minister now becomes head of the ministry.

The Sejm also adopted a change with respect to the NIK (Supreme Chamber of Control) which is more or less the equivalent of our audit office. Hitherto the NIK has been dependent on the government, which it was supposed, in particular, to control. Thus it was paralyzed. From now on it will be directly dependent on parliament (as was the case formerly) and its opportunities for control are widened, since from now on it will have organs everywhere in the provinces.

Discouraging Economic Balance Sheet

The vote on the draft law gave the Sejm the opportunity to demonstrate, at little cost, the progress taking place within it as far as democracy is concerned. An amendment was adopted, despite the vote against it by 38 members of the parliamentary group of the Democratic Party. Equally, General Moczar was reelected chairman of the NIK, but there were seven abstentions. Finally, the Sejm altered its own regulations so as to provide for votes of confidence or no confidence concerning not only the government as a whole, but if appropriate, the various ministries.

Mr Kisiel, the new chairman of the Planning Commission, and Mr Krzak, minister of finance, summed up the economic situation, and the balance sheet is evidently hardly encouraging. The August and September strikes, Mr Kisiel said, caused a loss of Z50 million (about Fr7 billion) in industrial production. On the other hand, wage increases will cost Z140 billion over a year and the deficit in market supplies in relation to purchasing power will increase to Z50 billion by the end of the year and will exceed Z150 billion in 1981. At the same time the state budget will not balance this year or next.

At best, Mr Kisiel said, national income could increase 1-1.5 percent and industrial production 3.5 percent in 1981. But if strikes go on even in a single sector, production and national income will fall next year. That will be the case in particular, the speaker noted, if continued strikes lead to "a lack of organization in economic life which is hard to control."

So it is confirmed that the relations between power and the workers in the free trade unions is, not only from the political viewpoint but also from the economic viewpoint "the most important question today," as Mr Rakowski said at the plenum which ended yesterday. The chief editor of POLITYKA added that in this sphere everything remains possible, including a "sudden confrontation." Indeed the trade unionists have just demanded permission to set up a national daily as important as that of the official trade unions. This is obviously a very delicate issue for the authorities in view of the international repercussions. Moreover, difficulties still exist as regards the legal registration of the trade unions. True, Warsaw's administrative tribunal has just proposed to Mr Walesa and his friends that a discussion be held on the terms of their registration.

All this is all the more dangerous since despite their failure at the sixth plenum, those within the party who advocate confrontation have still not lost all hope. One party figure put the situation to me in these terms yesterday: "We have our extremists and they (the trade unionists) have theirs. The problem is that we can control ours, but not those on their side. Their actions are jeopardizing the chances of the moderates on both sides." So today, as Mr Kania said on closing the plenum, it is a question of effecting an "alliance of sensible people." The first secretary took the opportunity to pay tribute to the church's attitude, an attitude "distinguished by a sense of responsibility for the country and for the Poles' common cause."

The Church's Moderating Role

A further proof of this has recently been received. The press reported on Wednesday that some notable figures from the Episcopal Secretariat had recently met with a delegation from the Szczecin Interfactory Committee and clearly encouraged the working people to be moderate since, as the communique said, "a common concern has been expressed for the need to pursue a stabilization of life in the country." Moreover, it is permissible to believe that it is thanks to the church's efforts that the union members are preparing to postpone their threatened strike of 20 October.

In fact, the most serious situation remains the one within the party itself which, as Mr Kepa said at the plenum, is "disoriented and very weakened ideologically and politically." A prominent Central Committee member told me, however, that in his view, the Soviets were prepared to accept very broad reforms but that there is only one thing which they could not tolerate: the party's inability to run the country effectively and to keep the situation under control. Now neither the plenum nor the Sejm meeting demonstrated that this risk--the gravest one at the present time--was about to be overcome.

A notable state figure said to me on this matter: "The recent plenum was very useful and enabled progress to be made. But it was a disappointment for us, too. Besides, it is unreasonable to expect too much from the present Central Committee which is the product of the previous leadership." For the new authorities the aims are thus the following: First, to modify the party apparatus both centrally (the Central Committee leadership) and regionally (during the coming weeks we will be watching a merry-go-round of regional first secretaries), and only after that to prepare with this new apparatus the party congress from which a new Central Committee and a new leadership will emerge.

CARDINAL WYSZYNSKI RECEIVES ZNAK SEJM DEPUTIES

AU161045 Warsaw SLOWO POWSZECHNE in Polish 9 Oct 80 p 1

[Text] PAP--On 6 October Cardinal Stefan Wyszynski, primate of Poland, received in Gniezno the ZNAK Catholic social club of Sejm deputies. The audience was attended by Janeusz Zablocki, chairman of the club; Jerzy Ozdowski, member of the State Council; and Waclaw Auleytner, Rudolf Buchala and Zbigniew Zielinski. The tasks of the ZNAK club and of Catholic laymen in the present situation of the country and the renewal of its life were discussed.

EPISCOPATE SECRETARY MEETS INTERFACTORY COMMISSION MEMBERS

AU161037 Warsaw SLOWO POWSZECHNE in Polish 8 Oct 80 p 1

[Text] PAP--On 6 October Bishop Bronislaw Dabrowski, secretary of the Polish Episcopate, met in Warsaw with Jaroslaw Mroczek and Andrzej Zielinski, representatives of the mixed committee of the interfactory workers commission in Szczecin. The meeting was also attended by Marian Jurczyk, chairman of the presidium of the mixed committee of the Szczecin interfactory workers commission, and Leszek Dlouchy, member of the presidium of the interfactory workers commission, as well as by Rev Director Alojzy Orszulik, Rev Director Franciszek Gosciński and Rev Jan Chmiel, representative of the Episcopate Secretariat.

During the meeting the sides studied the implementation of the agreements concluded by the government commissions and the interfactory workers commissions with regard to the church-state dialogue, especially with regard to the church's greater access to the mass media. The meeting also expressed joint concern for the need to further stabilize the country's life.

POLISH-SOVIET CULTURAL COMMISSION HOLDS SEVENTH SESSION

LD170856 Warsaw Domestic Service in Polish 0000 GMT 17 Oct 80

[Text] The seventh session of the Polish-Soviet Cultural Commission and Mixed Commission for Scientific and Technical Cooperation was held in Warsaw. It discussed and fixed the program of cooperation for 1981-83. The new program envisages both the continuation of forms of cooperation and exchanges applied with good results in past years and many new joint undertakings in the sphere of culture, science and technology.

KANIA SENDS BIRTHDAY GREETINGS TO GUS HALL

AU161046 Warsaw TRYBUNA LUDU in Polish 8 Oct 80 p 1

[Text] PAP--Stanislaw Kania, first secretary of the PZPR Central Committee, sent cordial wishes to Gus Hall, general secretary of the CPUSA, on the occasion of his 70th birthday.

SCREENING OF PREVIOUSLY BANNED FILMS PERMITTED

LD161557 Brussels LE SOIR in French 15 Oct 80 p 1

[Text] Four Polish motion pictures which were banned by the Ministry of Culture, including the film "Hands Up" by Jerzy Skolimowski which was made in 1968, are soon to be released in Poland as a result of intervention by a motion picture industry workers' independent trade union which has been formed in the wake of Solidarity.

As for television, 8 days ago it started showing a series of reports on current events filmed in factories at the beginning of the year whose showing was not allowed at the time. In these pictures, workers can be heard complaining about their working conditions and putting forward demands which have since appeared in agreements concluded between strike committees and the government.

BRIEFS

TRICITY AREA TRANSLOADING EFFORTS--Coal transloading in the Szczecin-Swinoujscie port complex continues to decrease. The average 24-hour transloading figure, which used to reach 50,000 tons, has fallen in the recent period to 18,000 tons. In the first 10 days of this month, the port complex has sent a mere 185,000 tons of coal to foreign customers. Many Polish steamship company vessels are going to sea with empty or partially filled holds. Stocks at the ports' coal storage depots have dropped almost to zero. [Warsaw Domestic Service in Polish 1600 GMT 11 Oct 80 LD] The longshoremen in the tricity area transloaded in the last 24 hours less than 57,000 tons of goods. Because of rain the work was interrupted for nearly 16 hours. The deliveries of coal still continue to be insufficient. Today three ships are waiting in Gdansk for coal. [Szczecin Domestic Service in Polish 1540 GMT 15 Oct 80 LD]

BRITISH CONSERVATIVE MP JULIAN AMERY MEETS LEADERS

Meeting With Andrei

AU162100 Bucharest AGERPRES in English 1935 GMT 16 Oct 80

[Text] Bucharest, 16 Oct (AGERPRES)--On October 16, Stefan Andrei, Romanian minister of foreign affairs, was called on by Julian Amery, M.P. member of the Conservative Party of Great Britain, with whom he exchanged opinions on the Romanian-British bilateral relations and on some topical international problems of mutual interest.

Meeting With Ceausescu

AU162115 Bucharest AGERPRES in English 1950 GMT 16 Oct 80

[Text] Bucharest, 16 Oct (AGERPRES)--On October 16, President Nicolae Ceausescu received Julian Amery, member for the Conservative Party of the British House of Commons. The interview occasioned an exchange of messages of salute between President Nicolae Ceausescu and Margaret Thatcher.

During the interview the sides evoked with satisfaction the good relations of friendship and collaboration between Romania and Great Britain, stressing the special important role played by the Romanian-British summit dialogue in the development and deepening of these relations. Both sides have expressed the wish to take fresh actions for stimulating the Romanian-British collaboration and cooperation in all the fields of activity--political, economic, technological, scientific and cultural--to find new, mutually advantageous forms of collaboration laying stress on the important role incumbent on the parliaments and parliamentarians of the two countries in expanding the Romanian-British relations.

Tackling some topical international problems the sides have pointed to the need for the efforts to be intensified by all governments political parties, the entire world public opinion in view of improving the world political climate, of resuming and furthering the policy of detente, peace and collaboration, of solving peacefully, by means of negotiations, the litigious problems in various zones of the world.

CAZACU RECEIVES SPANISH COMMUNIST OFFICIAL

AU162053 Bucharest AGERPRES in English 1946 GMT 16 Oct 80

[Text] Bucharest, 16 Oct (AGERPRES)--Virgil Cazacu, member of the Executive Political Committee, secretary of the CC of the RCP, met on October 16 Romero Marin, member of the Executive Committee, secretary of the CC of the Communist Party of Spain. The interview occasioned an exchange of warm greetings between Nicolae Ceausescu and Santiago Carrillo.

During the interview, they informed each other and expressed satisfaction at the upward course of the relations of friendship, collaboration and solidarity between the RCP and the Communist Party of Spain, whose development has been greatly helped by the meetings and fruitful talks between Nicolae Ceausescu and Santiago Carrillo. Reaffirmed was the two parties' determination to intensify and diversify in the future, too, these relations, based on mutual esteem and regard. Aspects of the international life, too, were approached.

The talk proceeded in a cordial, friendly atmosphere.

REPORTAGE ON VERDET ACTIVITIES DURING NORTH KOREA VISIT

For coverage of events during Prime Minister Ilie Verdet's visit to North Korea, see the North Korea section of the 16 October and subsequent issues of the Asia & Pacific DAILY REPORT.

GRAND NATIONAL ASSEMBLY SECOND SESSION BEGINS

AU161823 Bucharest AGERPRES in English 1915 GMT 16 Oct 80

[Text] Bucharest, 16 Oct (AGERPRES)--The second session of the present Grand National Assembly [GNA] of Romania started in Bucharest this morning.

President Nicolae Ceausescu, Elena Ceausescu, and other members of the Romanian party and state leadership are attending. Present are deputies and, as invited guests, representatives of economic ministries, central institutions and mass organizations, members of the diplomatic corps.

The agenda includes bills regarding: the adoption of the single national plan of economic and social development of Romania in 1981; the development of small-scale industry; amendments to the 1968 law regarding the organization and functioning of people's councils; the obligation of executives in economic and social fields, of other party and state activists to declare valuables in private ownership; amendments to the 1973 law regarding the development of housing constructions and sale of dwellings from the state housing stock and the building of privately-owned rest houses; amendment to the 1973 law regarding the administration of housing stock and (?regimentation) of landlord-to-tenant relationships; organization of trips abroad for Romanian tourists; the adoption of the state budget for 1981, as well as the bill of investments; the bill regarding the amendment to the 1971 law concerning the administration of fixed assets, material resources, technical and material supply; and the bill regarding the approval of the decrees with power of law issued by the State Council.

The first item on the agenda was the report on the bill regarding the adoption of the single national plan of Romania's socioeconomic development in 1981, read by Nicolae Constantin, deputy prime minister, chairman of the State Planning Committee.

Next, Gheorghe Oprea, vice-chairman of the Supreme Council of Romania's economic and social development, presented the co-report of that council with regard to the bill under discussion, suggesting that the GNA adopt the plan in its current form.

Then, Emilian Dobrescu, chairman of the parliamentary Commission for Industry and Economic-Financial Activity, read the report of the GNA standing commissions on the respective bill.

The morning meeting concluded at noon so that GNA standing commissions may continue to debate and then endorse the bills included in the agenda.

The next GNA session is to be held in the afternoon when general discussions are to begin on the bill regarding the adoption of the single national plan of Romania's economic and social development in the next year.

Bill on Economic Plan

AU162109 Bucharest AGERPRES in English 1909 GMT 16 Oct 80

[Text] Bucharest, 16 Oct (AGERPRES)--Autorized by the government, Nicolae Constantin, deputy prime minister, chairman of the State Planning Committee, presented to the GNA the bill regarding the adoption of the single national plan of Romania's socioeconomic development in 1981, pointing out, among other things, that the provisions in the draft plan were grounded on the particular results scored by the Romanian people in all fields of activity both this year and in the 1976-1980 five-year period, a period during which the volume of industrial production grew at an average annual rate of some ten per cent.

Although great efforts had to be made in order to make up for the losses caused by the earthquake and the floods, to cope with the tremendous increase of the prices of oil and raw materials internationally, the high-rate increase of the national income was ensured through the self-denying work of the entire people, and upon this solid basis provided were the resources necessary for fulfilling the provisions set in the domain of the population's standard of living. Over the 1976-1980 interval real remuneration of the working personnel and the real incomes of the peasantry increased by some 30 percent, the provisions of the eleventh congress being thus substantially overfulfilled.

The provisions of the draft plan for the next year ensure the further development of material production, synthetically illustrated by the tasks regarding the increase of the national income by 7 per cent and of the social product by 6.1 per cent.

The net industrial production of over 330 thousand million lei stipulated in the draft plan will be 8.1 per cent bigger than that of 1980 and is to be obtained through an intensified process of modernization, high-rate development of the branches producing raw materials, priority promotion of the sectors that superiorly process resources, higher technical and qualitatively level of products, full use of the production capacities, a more marked growth of labour productivity, administration in the spirit of a severe regime of savings of raw materials, fuels and energy.

In the extractive industry, production levels take account of the potential of the ores that are being exploited, of the new reserves which are to enter the economic circuit, as well as of the need to meet, to a greater extent, the requirements of the national economy through the country's own resources.

The distributed electric power will increase in 1981 by four percent while primary energy consumption will be by 620 thousand tons of conventional fuel lower than that of 1980. Electric power production is to grow on the basis of the use of coal in thermal electric power stations and of maximal utilization of hydropower stations.

In the metallurgical industry activity is oriented towards a better capitalization of metal.

When fixing the production of the machine-building industry account was taken of the necessity to meet, to a greater extent, the internal requirements of highly technical products, as well as to substantially increase exports.

Bigger production growths are stipulated in the chemical industry for the products of great importance to the national economy that can be manufactured with lower energy and raw materials consumption. The share of these products will have to account for over 52 percent following the deepening of the oil refining processes.

The draft plan pays great attention to the intense development and further modernization of agriculture. Cereal output is stipulated to reach over 23.7 million tons while sunflower, soybean, sugar beet, hemp and flax for fibre, vegetable and fruit productions are to increase substantively.

Next year agriculture will operate 154 thousand tractors of increased powers, more combine and other machinery and equipment. The irrigated area will be of 2.6 million hectares.

Next year's investment volume stands at 220 thousand million lei and must be realized much more efficiently.

Scientific research and technological development are oriented towards the essential problems of the development and modernization of social production. 730 objectives of scientific research will be capitalized next year.

The new and modernized products put into fabrication in 1981 will hold a share of at least 21 percent of the total volume of the marketable production of the industrial processing branches.

The draft plan ensures Romania's more active and efficient participation in commercial exchanges and international cooperation. Taking account of the whole aggregate of phenomena manifest today in the world the plan provisions aim at a full capitalization of the possibilities of increasing exports so that an active balance of trade be achieved allowing for imports of raw materials and equipment that cannot be produced in the country and for a reduction of the foreign debt. Special attention is paid to the development of collaboration within the CMEA and with the other socialist countries, to the expansion of Romania's economic relations with all the states of the world.

Labour productivity, determined on the basis of the value of net production, is to grow by seven percent in industry as a whole and by eight percent in the building-assembly activity. In all branches plan provisions lay stress on a higher mechinization and automation degree improvement of production and labour organization, better training of the entire personnel, A.O. [as received]

In industry production costs are to be reduced by at least 1.6 per cent and material expenditures by 1.3 percent. The savings obtained by cutting down production costs as against 1980 are estimated at 14.6 thousand million lei.

The rapporteur highlighted the need for firmly applying the new economic-financial mechanism for providing all the necessary conditions in order that the activity of economic units and social establishments unfold on the basis of the principles of self-management and self-financing.

In 1981, the remuneration fund--the speaker further pointed out--will stand at almost 228 thousand million lei. Real remuneration is to increase by 3.4 percent, while the real incomes of the peasantry per active person are to rise by 3.3 percent. Retail sales through the socialist trade network will increase by six per cent while the volume of services will grow by 13.2 percent. Various types of goods and services of improved quality will be ensured in keeping with the population's requirements. 185 thousand flats are to be commissioned in 1981 as part of the programme of housing construction.

At the same time, the material base of education and health protection, or physical education and sports will further develop through the commissioning of numerous units now under construction.

FINNISH PRIME MINISTER KOIVISTO ARRIVES ON OFFICIAL VISIT

LD161704 Belgrade TANJUG Domestic Service in Serbo-Croatian 1425 GMT 16 Oct 80

[Text] Belgrade, 16 Oct (TANJUG)--Finnish Prime Minister Mauno Koivisto arrived in Belgrade with his wife this afternoon on a 2-day official and friendly visit to Yugoslavia.

The Finnish statesman was accorded a festive welcome with high honors at Belgrade airport. Prime Minister Koivisto and his wife were welcomed by Veselin Djuranovic, president of the Federal Executive Council, and his wife and aides.

The festive welcome was attended by Ivan Stambolic, president of the Executive Council of the Assembly of the Socialist Republic of Serbia; Dusan Stepancev, deputy federal secretary for foreign trade; Milos Melovski, assistant federal secretary for foreign trade; Osman Djikic, SFRY ambassador to Finland; Nikola Cicanovic, foreign affairs adviser to the president of the Federal Executive Council; Vladislav Jovanovic, head of department in the Federal Secretariat for Foreign Affairs; and other Yugoslav personalities.

Prime Minister Mauno Koivisto was also welcomed by Eva Christina Forsman, Finnish ambassador in Belgrade.

Pekka Oivio, chairman of the Federation of Finnish Trade Unions; Matti Tuovinen, secretary of state in the Foreign Ministry; Pauli Opas, head of the commercial department of the Foreign Ministry; and other personalities arrived in Belgrade together with the Finnish premier.

GDR PLANNING COMMISSION CHAIRMAN SCHUERER ARRIVES

LD162025 Belgrade TANJUG in English 1913 GMT 16 Oct 80

[Text] Belgrade, 16 Oct (TANJUG)--A German Democratic Republic delegation headed by Deputy Chairman of the Council of Ministers and Chairman of the State Planning Commission Gerhard Schuerer, arrived here today.

At the Belgrade airport, Schuerer was welcomed by Vice-President of the Federal Executive Council Zvone Dragan.

The impending talks will be a part of regular cooperation between the planning and foreign trade organs of the two countries in preparing the five-year programmes of bilateral economic cooperation and mutual information on the current and future development of their respective economies.

AGREEMENT SIGNED; MALTESE MINISTER BARBARA MEETS DORONJSKI

Cultural Agreement

LD161506 Belgrade TANJUG in English 1446 GMT 16 Oct 80

[Text] Belgrade, 16 Oct (TANJUG)--An agreement on cultural-educational cooperation between Yugoslavia and Malta was signed in Belgrade today. The agreement, as mutually assessed, is a stimulus to further cooperation in education and culture between the two countries. The agreement envisages an exchange of scholarships and experts and cooperation in all fields of arts. The two non-aligned countries are also to stimulate cooperation between news agencies, journalists' associations and TV centers.

Barbara Meeting With Doronjski

LD161734 Belgrade TANJUG in English 1625 GMT 16 Oct 80

[Text] Belgrade, 16 Oct (TANJUG)--President of the Presidency of the League of Communists of Yugoslavia Central Committee Stevan Doronjski today received member of the Malta Labour Party's leadership and Minister of Labour, Welfare and Culture Agatha Barbara. During the ensuing talk, both sides agreed on the need for further cooperation between the LCY and the Malta Labour Party as a contribution to the development of relations between the two countries.

Agatha Barbara was also received by Federal Secretary for Foreign Affairs Josip Vrhovec. Their talk focused on the development of bilateral relations and the activities of non-aligned countries. Particular attention was devoted to questions related to the promotion in cooperation and strengthening of security in the Mediterranean.

MINIC INTERVIEWED ON INTERNATIONAL ECONOMY, STABILIZATION

AU131815 Belgrade BORBA in Serbo-Croatian 6 Oct 80 p 5

[Slobodan Vujica report on interview with Milos Minic, member of the LCY Central Committee Presidium and president of the Federal Social Council for International Relations--date and place not given]

[Text] In all our discussions on stabilization policy, and in our accords on further programs and actions, it is extraordinarily important for us to bear in mind the general international situation in which we must wage our struggle to stabilize our economy and to preserve the policy of stability and the strong international position of our country.

The international circumstances and conditions under which we are implementing the stabilization policy are very complex and difficult. These circumstances do not suit us. They are not favorable to our policy. The crisis of detente continues. Even though certain contacts between the big powers and blocs can be noticed, it is difficult to believe that any significant revival of detente will take place in the foreseeable future.

This is what Milos Minic, member of the LCY Central Committee Presidium and president of the Federal Social Council for International Relations, said in responding to the request of BORBA editors to say something more about the problems connected with the international situation in which we now wage the struggle for stabilization, and about our foreign trade and our country's debts in the world, something on which he spoke at the latest session of the LCY Central Committee.

[Question] Is something more than a crisis of detente involved?

[Answer] Yes, as I said at the session of the LCY Central Committee, the crisis of the entire world economy is deepening, the analyses that we have at our disposal, the analyses of our institutes, Milos Minic continued, show that the entire West, all OECD countries are falling into stagnation. The rate of growth in these countries will be about 1 percent this year. It seems that all the main OECD member countries, with the exception of Japan and France, will have a negative rate; that is, their rate of growth will decline as compared with last year.

As regards the East European countries, the analyses of our institutes show that a fall in the rate of growth of the economy and further complications in economic and social problems can be noticed there also, more or less in different countries.

And the Western and the East European countries are our main economic partners. They share the largest part of our import and export trade, our credits and so forth.

As a result of this situation, the developing countries have fallen into a very deep crisis. Whereas it is estimated that the balance of payments deficit of the developed Western countries, members of the OECD, will this year amount to $74 billion [as published], the balance of payments deficit of the developing countries, which are incomparably weaker economically, will be over $50 billion this year.

To Rely Much More on One's Own Forces

[Question] What are the forecasts of future trends?

[Answer] World institutions monitoring the world economy predict no quick way out of the economic crisis and the present recession, inflation, unemployment and distortions of every kind. It is even envisaged that unemployment will reach 20 million in OECD countries this year. Let me not even mention the hundreds of millions of unemployed or underemployed in the developing countries.

The crisis of the international economic system is getting worse, and there are no prospects for any significant progress in the building of a new international economic order which would bring some relief to our economy, our country, and all the other developing countries. The special session of the UN Ceneral Assembly concluded a good week ago without failure, as was said, but also without success. No binding agreement was reached on the development strategy in the world in the 1981-1990 period, and also no agreement on global negotiations on a new international order. This agreement was prevented by the United States, Great Britain and the FRG.

[Question] This poses the question of our orientation at the present moment and beyond.

[Answer] Now, perhaps even more than last year and during the entire period which is behind us, we must therefore rely on our own forces, mobilize these forces much more and activate all our internal reserves.

The position adopted at the summit conferences of the nonaligned countries in Algiers, Colombo and Havana--that we should rely on our own collective forces, not only our own individual forces, which is to say, cooperation among the developing countries--is becoming extremely topical. This year we have had some success and progress in this respect, but we should accelerate the cooperation of our country with the developing countries in order to ease the position of our economy. In the shortest possible time we must attain the goal which we have set, that the share of the developing countries in Yugoslavia's trade should be 25 percent instead of 18 percent, which will be attained, it seems, this year.

Worsening of International Situation

[Question] The question arises to what extent has our widest public been sufficiently informed, in the right way, about all these circumstances?

[Answer] I am not convinced that all the workers and citizens of our country, and what is more, even all the LCY members, have been sufficiently acquainted with such international circumstances, or that they are close to the realization that we must work and produce more and trade with the world in difficult conditions imposing on us sacrifices and a redoubling of efforts in order to get out of the present situation and start out on the road of a more stable development of economy and our self-managing socialist society.

Internal reasons, both objective and subjective, our shortcomings and our behavior are with good reason put at the center of attention in our discussions of the stabilization policy. We talk much about them. These other international circumstances are not talked about enough. I think that these must be talked about and discussed much more, not only in our League of Communists organizations but also in the organizations of the SAWP, the trade unions and others.

The development of the international situation has rapidly deteriorated lately. Last year we had two events that caused tremendous concern. This was the Soviet intervention in Afghanistan and the NATO decision to install medium-range missiles in Europe. Some contacts between the blocs to resume negotiations on nuclear arms have only just been made, and now we are facing a war between Iran and Iraq. This war is pregnant with very dangerous consequences for the international political and economic situation. In particular it is a fresh heavy blow to the unity of the nonaligned movement. These two countries, with which we have friendly relations and increasing cooperation in all fields, not only are among the largest oil producers (Iraq is fourth, and Iran fifth in the world in oil production) but also are members of the nonaligned movement, in which they play an active role.

It would be a great thing if these two countries would turn from armed conflict to solving disputed questions through negotiations, which is to say in a peaceful way based on the principles for which the nonaligned movement struggles and a universal application of which is demanded. However, it is difficult to say how this war will develop, how long it will last and whether the big powers will interfere in this war.

[Question] This will certainly affect the economic and energy situation in the world.

[Answer] At the moment it is a war between two countries and there has been no visible interference from outside. However, the biggest refineries, oil pipelines and oil wells have been destroyed by now in both countries. Both countries have stopped their oil exports. I think that we are on the verge of another energy crisis, an energy crisis which may be much more serious than the one of 1973 at the time of the oil embargo connected with the war which broke out that year between Israel and the Arab countries. We all, our entire economy, must be aware of this situation. We must think of how we shall get out of it.

Of course, we are not alone in this situation. Others are in it, too. The Western countries are again in a more favorable situation, for according to available information, they have oil stocks for about 100 days (at least in West Europe).

The Worst Problem in the Balance of Payments and of Trade

[Question] Let us return to our situation, our foreign trade in the present circumstances.

[Answer] If we speak about the implementation of the stabilization policy without taking all these external circumstances into account, we may overlook some circumstances which have the nature of a "force majeure" facing our economy, and we may therefore land in a very difficult situation. I hope that the appropriate organs and organizations at the federal level and in the republics and provinces, above all, will pay attention to all this.

As we see, the difficulties for our country in the international field are multiplying. They do so at a moment when the balance of trade and the balance of payments are an extremely grave problem for us. Considering such trends in the international situation, our worst problems at the present moment lie precisely in this field, in the field of the balance of trade and of payments. We all know that we cannot solve this problem overnight, in a short time, but we must solve it, for we have no other choice.

[Question] What is the situation here now? Everybody is pointing to better results in exports as a considerable achievement in the realization of the stabilization policy.

[Answer] It is obvious that the measures taken to date have begun to yield relatively favorable results, more favorable than last year. This at least is shown by average trends, although the pace of the growth of exports must cause concern. The growth of our exports, for instance, in the first quarter of this year was about 50 percent above the exports in the same period of 1979, but in the second quarter it was only somewhat above 7 percent higher. This oscillation shows that no lasting moving force has materialized yet to ensure a faster growth of our exports. An export orientation has not yet prevailed in our economy, as we particularly recommended in the conclusions of the LCY Central Committee Presidium last November.

It is certain that the dinar devaluation has given an important export impetus to our economy and things should now turn to the better. However, despite this positive effect, there are tendencies working in the opposite direction. These are the high rate of inflation the price movements and occurrences of local and regional closed markets. These last intensify the already great difficulties in the market for production materials and consumer goods. This has been much discussed lately, even at a session of the LCY Central Committee.

More time will be needed to see whether these positive trends in exports and in the relation of exports to imports, the share of imports covered by exports, i.e. in the balance of trade, will stabilize. All this is the product of the trend of the overall development of our economy and society. It is only a concentrated expression of everything that we call in our conversations disproportions, structural disharmonies, etc.

Let Nobody Fear That We Export Too Much

[Question] It is obvious that many complex and difficult tasks are still ahead of us in this respect.

[Answer] I can only stress that the strengthening of the export orientation of our economy is our most urgent task. The progress made here is insufficient. It is still far from what would bring our current balance of trade and of payments to a normal situation. Let nobody fear that we are exporting too much. We are almost among the last among the European countries in per capita exports. For instance, in 1978, our country exported only $259 per capita, Portugal $266, Greece $362, Spain $358, Romania $281 [figure as published], Bulgaria $712, Italy $987, France $1,440, Austria $1,628 etc, up to the Netherlands with $3,684 and Belgium $4,565 per capita. In the same year we imported $456 per capita and in this respect we are at the bottom of the list of European countries except for Romania with $279 per capita. Certainly these figures have been increased now in 1980, but not so much as would be required by the dynamic development accompanied by a quicker growth of our economy, which we have attained for a number of years.

Therefore, if we desire an expansion of the economy and a further quick growth of production, consumption and the standard of living, we must strengthen exports. We have no other solution either for the implementation of the stabilization policy or for restoring an equilibrium in the balance of payments. We can substitute imports wherever it is possible and we can, out of dire necessity and only temporarily, limit imports; but where and in which respect? We know that about 70 percent of our imports are production materials and only 30 percent consumer goods and equipment taken together. There is not much scope for a strong limitation of imports even in the short run, for the growth of production depends very significantly on the growth of imports.

Therefore if we want more lasting solutions, we must give exports the pride of place in our overall orientation. In this connection, of course, every economically justified substitution of imports, economizing, the struggle against waste etc., absolutely must be supported. If we want to implement the stabilization policy everywhere, we must implement it in practice in the smallest and the biggest things, and not only through big words and big speeches.

About Our Debts Abroad

[Question] At the LCY Central Committee session you also spoke about our debts abroad. Various comments are heard about this in the world as well as in our country. What could you say about this? How large are our debts and what are the main difficulties.?

[Answer] Data on our country's debts abroad have been published in our press and I think that they are widely known. Discussions have been held on this problem in the highest representative bodies of the country, too. Therefore I will cite only a few main statistics from which the essence and size of the problem of our debts abroad can be seen.

On 31 December 1976, our debts abroad amounted to $6.6 billion, of which $5.9 billion was in convertible currencies and $700 million in clearing currencies. In the course of 4 years--1976-1979--our debts more than doubled (index for 1975 equals 100, and for 1979 227), so that on 31 December 1979 our debts abroad on the basis of long-term and medium-term loans amounted to $14.2 billion, of which $12.7 billion or 89 percent was in convertible currencies and $1.5 billion in clearing currencies. There will be a further increase in the debt in 1980, but it remains to be seen how large it will be.

[Question] How and why has the debt increased so fast in the course of only 4 years? Is the volume of the debt within the internationally permissible limits (these limits are that the debt servicing--i.e. the due repayments of the capital and the interest on the loan--takes between 20 and 25 percent of the total annual foreign exchange earnings)? What is the burden of the debt in convertible currency countries and what in the non-convertible currency countries? Incomplete explanations are frequently given on such and other questions and contradictory opinions are also present.

[Answer] Without entering into a comment on all these questions, I pointed out only two rather important questions at the LCY Central Committee session.

First, which causes engendered the fast increase in our country's indebtness in the past 5-year period, i.e. between 1976 and 1980?

Official explanations list the following causes: A lagging in the inflow of foreign exchange from exports, i.e. insufficient exports of goods (these exports in this plan period increased at an annual rate of only 3.5 percent instead of 7 percent as planned), a faster growth of imports which could not be covered by indivisible trade earnings (tourism, transportation and others) so that the deficit on the current account of the balance of payments had to be covered with foreign loans; furthermore, invisible earnings were lower than expected, and the prices of imported goods (oil and others) rose more quickly than the prices of goods we exported. Thus the balance of payments deficit in the 1976-1980 period reached $7.4 billion instead of $4.7 billion as planned, and this had to be covered by credits and financial loans.

These explanations obviously confuse the causes and effects. It is definite that the tremendous increase in the prices of crude oil, imported equipment and the like created great difficulties for our economy, just as to other countries. But the other causes listed are rather the consequences of something else.

What Is the Reason for Increased Indebtness

[Question] What in your opinion is this "something else" which is the cause of the rapid increase of our debts in the past few years?

[Answer] This something else is perhaps shown by the statement that the planned balance of payments and of foreign exchange envisaged that our total debt in 1980 would reach $11.5 billion, which was assessed as bearable for our country as one of the developing countries, that the social plan of Yugoslavia for the 1966-1980 period envisaged that the utilization of these foreign funds should be regulated by an accord between the republics and provinces and the federation, and that this accord was to be adopted in 1976, but the accord on the allocation of rights to foreign borrowing for the 1976-1980 period was adopted only at the end of June 1979. Thus in fact the regulator envisaged in the plan--the accord--was not effective during almost 4 full years of the plan period. Having remained without a suitable regulator, our economy, the economic, social and political factors, behaved irresponsibly. This unregulated or poorly regulated flow of our foreign trade surely played one of the most important roles in this great increase of our debts abroad in a short period of time.

Thus we acted without accord, we worked with other regulators but not the ones required by our self-managing system. It may be that the answer to the question of how our debts could leap so much perhaps lies somewhere here. I think that this is an expensive lesson: It shows what the consequences are of such poor practice. And we in our country, all without exception, should agree that something like that or similar should not be allowed nor repeated.

To Preserve the Reputation and Prestige of Our Country

[Question] What is going to happen now?

[Answer] We will feel the proper consequences of what happened and appeared between 1976 and 1980 in the coming years, and we must be prepared for them. High debts have been incurred in a concentrated short period of 5 years. Therefore they have to be repaid in a concentrated period. The debt servicing will no longer amount to about $1 billion a year as up to now, but much more. I do not possess a calendar of the repayments and debt servicing. The National Bank probably has it. It is known precisely what annual payments (capital plus interest) are due every year. I fear that it can be seen even now that it will be only through extreme efforts of all the factors of our economy and society, and with true sacrifices--not only illusory ones, as is often the practice in our country--that we can preserve the trust which our country enjoys in the world and our ability to pay our commitments, which we have preserved so far. If we were not to preserve them, not only our economic and political reputation but also the general international position of our country would be seriously hit. And this includes its present active and influential role in the world.

In a strong international position and active involvement in the international field, especially in the nonaligned movement, the Group of 77, in the field of European security and cooperation etc., we have always seen, with full justification, one of the main conditions for the preservation of the independence and equality of our country and its strong international position. We can imagine the far-reaching harmful consequences which can or might arise for the further development of our country, our system of socialist self-management and the overall social system, unless we find the strength and ability to preserve the present reputation and prestige of our country. We possess this strength and ability, and we must show that we can mobilize the tremendous forces available to our economy and our self-managing socialist society.

[Question] Considering the very unfavorable trends in the world economy, will it be possible to arrange the necessary financial loans abroad in good time to cover the current account deficit in the balance of payments this year?

[Answer] From the report on our activities to procure a loan to cover the balance of payments deficit this year we can see that we are encountering many difficulties, although the necessary funds will probably be approximately obtained on the whole.

The difficulties encountered can be seen from a DER SPIEGEL interview with Mr Lambsdorff, a member of the Bonn government, who was asked why no loans are approved to Yugoslavia, while they are approved to Poland. He answered: "We have the same attitude toward Yugoslavia as toward Poland. We have always said that we shall guarantee independent financial loans only if the financial projects serve the German economy, i.e. if they provide it with raw materials. The Poles deliver coal to us. The Yugoslavs have not proposed an appropriate project so far." The interview continues, and he is asked: "Belgrade points out with justification that the FRG is its largest trading partner in the West, and that a large part of the deficit run up by Yugoslavia has arisen in its trade with the FRG." Mr Lambsdorff replies: "If we were to provide loans to finance all the trade deficits which arise in trade with other countries, this would knock the bottom out of the barrel." As you see, our representatives have to face such discussions.

Therefore as soon as possible we must pull the country up to a new and healthy situation in which we will not have to run after financial loans to cover the balance of payments deficit. I know that we cannot achieve this in a short term, in 1 year, but if we concentrate our efforts we may nevertheless achieve it in a relatively short time.

DOLANC CRITICIZES REPUBLICS, FEDERAL ADMINISTRATION

AU161731 Belgrade Domestic Service in Serbo-Croatian 1400 GMT 16 Oct 80

[Mijusko Tomic report on session of the Federal Committee Presidium of the Federation of Veterans' Associations of Yugoslavia, in Belgrade on 16 October, with recorded portions from speeches by Tone Turnher, general secretary of the Federal Committee, and Stane Dolanc, member of the LCY Central Committee Presidium]

[Text] The Federal Committee Presidium of the Federation of Veterans' Associations of Yugoslavia today held a session in Belgrade at which it discussed the tasks of the federation in implementing the economic stabilization policy. As Tone Turnher, general secretary of the Federal Committee, said in his introductory report, the present situation is serious and complex, but we would not be revolutionaries if we thought for a single moment that we could not overcome it or that we are unable to solve the existing conflicts. Everything depends on the quality of our organization and our ability to solve everyday problems always from the position of the far-reaching interests of the workers class. Stane Dolanc, member of the LCY Central Committee Presidium, participated in the work of the session. Mijusko Tomic reports on the work of the session:

The introductory report delivered by Tone Turnher, general secretary of the Federal Committee Presidium of the Federation of Veterans' Associations of Yugoslavia, was the basis for discussion at the session. Turnher said among other things:

[Begin Turnher recording] Veterans and organizations of the Federation of Veterans call attention to the need for a united action for economic stabilization as a common interest of all working people, citizens, peoples and nationalities. That is a unified strategy that must be carried out in the same way as during the war when, following a unified strategy under the leadership of Tito and the party, each of us in his own community and with full initiative, won the struggle for our future order. It is especially necessary to emphasize the responsibility of the republics and the autonomous provinces which under the 1974 constitution are fully responsible for our Yugoslavia as well as for their own development. All subjective factors of our political system and delegate system must behave responsibly for that purpose.

Irresponsible attitudes and even the occurrences of republicanism and unwillingness to face the specific problems and shortcomings are the basic cause of difficulties, although the international economic crisis, too, is increasingly influencing our trends. It is precisely that kind of behavior that can undermine the basic achievement of the revolution, the integrity, unity and equality of peoples and nationalities; that is, the guarantee of our existence.

Technocracy and liberalism are allying themselves with nationalism and, exploiting our insufficient activity, our lack of vigilance and our disunity in the distribution of organized production forces, they are undermining the basic achievements of the revolution. The socioeconomic difficulties and the occurrences of intranational and inter-republican disputes are mutually promoting each other, and therefore the struggle to solve one problem must simultaneously be waged to solve other problems also. All that will be truly solved only when the worker, organized in the associated labor and not someone else on his behalf, will exercise the decisive influence. [end recording]

The Federation of Veterans must help the LCY considerably more in constantly strengthening and developing the ethical norms of the revolution. We must build these norms into all our relations.

Stane Dolanc, member of the LCY Central Committee Presidium, participated in the discussion among others:

[Begin Dolanc recording] It is quite certain that this situation has not begun today or 6 months ago, but that we have found ourselves in this situation for a number of years now. I would even say--I dare say this even though it was perhaps not discussed at the LCY Central Committee plenum--that today we feel, specifically and sharply, the consequences of liberalism that is 10 years' old and that did not find its expression solely in the writing of one or another book but found its expression in quite specific attitudes and also economic attitudes in our society.

I think that one of the basic causes for the situation in which we find ourselves is the fact that everything that you have said here you should first of all say in your own republics, as a factor, a political factor in the republics which have built their own economic strategies regardless of the joint interests of Yugoslavia, regardless of the interests of the second, third, fourth and sixth republics and of the first and second provinces. It is a fact that hardly anyone is prepared to renounce the strategy that he himself--that is, primarily the sociopolitical structures--had elaborated. It is for this reason that that economic strategy of development first comes into conflict with the associated labor of the republic concerned, because the one who had formed that strategy only thought that it was the interest of the associated labor of the region concerned, that is specifically the republic or province. And this is not always true and I would even dare say that many times it is not. For that reason it comes into conflict with the interests of its own associated labor and later or even simultaneously also into conflict with the interests of associated labor of other republics and all Yugoslavia.

I do not want at all to defend the federation because, in my opinion, this problem has other qualities at the level of the federation. The first of these qualities is the fact that some comrades working at the federation level primarily behave as representatives of their republics and of the interests of their republics, even though that is a punishable and criminal act under the constitution. But it is known--and anyone from the organs concerned with decisions in this connection will tell you--that during sessions telephones ring and such questions are asked as: What should I say, what position should I adopt? This happens even though the official concerned is bound by the constitution and by his oath to defend the interests of this Yugoslav community such as it is.

Accordingly, that is one problem in the federation. And the other problem, I would say, is the inefficiency of the administrative apparatus that, in one part, either fails to understand or, in another part, simply refuses to understand that we are a socialist self-managing society, and essentially behave in a statist manner and, I would say, now even more so than in the past, and assumes functions to which the administrative apparatus has no claim at all under the constitution. [end recording]

DJURANOVIC CHAIRS EXECUTIVE COUNCIL SESSION

LD161456 Belgrade TANJUG Domestic Service in Serbo-Croatian 1342 GMT 16 Oct 80

[Text] Belgrade, 16 Oct (TANJUG)--According to a report by the Federal Secretariat for Information, the Federal Executive Council (FEC), at a session today chaired by Veselin Djuranovic, approved the report on the realization of the country's projected payment and currency balance, for this year, which is to be submitted to the SFRY Assembly.

The FEC also examined data from the National Bank of Yugoslavia on the current credit and monetary trends and ratified an amendment to the decision on the realization of the goals and tasks of the joint credit and monetary policy this year, as the basis for coordination of the views of the republics and provinces.

The FEC was also briefed on the process of coordinating the views of the republics and provinces in the Interrepublican Committee for Planning and Development concerning the draft agreement on the new medium term plan for 1981-1985.

DRAGOSAVAC CHAIRS MEETING OF LCY OFFICIALS, STABILIZATION DISCUSSED

LD162215 Zagreb Domestic Service in Serbo-Croatian 1800 GMT 16 Oct 80

[Text] Topical socioeconomic questions and the tasks of the League of Communists in the light of the realization of the attitudes adopted by the 13th plenary session of the LCY Central Committee were the basic theme of a meeting held today by the secretaries of the presidiums of the republican and provincial committees of the League of Communists. The aim of the session, which was chaired by Dr Dusan Dragosavac, was an exchange of views and of the results so far achieved by the organizations of the League of Communists in the republics and provinces and in the federation in solving these important social questions.

The general assessment was that the political mood in the country is positive and that working people and citizens are ready to persist on the road of struggle for the realization of the policy of economic stabilization. However, it was noted that there are still many examples of the kind of behavior which point to the conclusion that the seriousness of the situation has not been understood. Hardly a day passes without some forum of one sociopolitical organization or another, ranging from the municipalities to the federation, discussing investments, excessive consumption, poor market supplies and so forth, and yet the change in the state of affairs is slow in coming. This poses the question of the extent to which all these conclusions, attitudes and documents are mobilizing the working people and offering the ways to concrete solutions to problems.

It is high time, Pavle Gazi stated, that we linked programs with the personalities and organs that are constitutionally and legally duty-bound to carry them out, paying full regard in the course of doing so only to the pluralism of the vital economic and national interests and not to any particularist, regional interests, inessential for Yugoslavia as a whole.

In this sense a greater degree of involvement by the League of Communists is essential in the direction of mobilizing the basic organizations of the League of Communists and associated labor as a whole to tackle short and long-term problems. It is undeniable, it was stated, that there is a high level of activity in the League of Communists, but this activity is to a considerable extent confined to party organs and forums and is less in evidence within the system [words indistinct].

We look as if we are competing with each other in who will offer a better diagnosis, Dr Dusan Dragosavac stressed, but as a whole are not striving hard enough to carry out what we agreed to carry out. Naturally, this at times gives the impression of impotence displayed from the basic organization of associated labor to higher up. The self-managing system provides us with great and certain possibilities for moving forward, even today when we encounter so many problems, but we shall win this battle, Dragosavac said, only if we succeed in mobilizing all the working people and citizens under the leadership of the League of Communists. This means that always and everywhere communists must be in the front ranks and must stop putting the blame on anyone else. After all, there are communists everywhere--in the workers' councils, in delegate assemblies, in self-managing interest communities.

From the statements by the secretaries of the presidiums of the republican and provincial central committees of the League of Communists it is clear that the settling of the economic problems and the preparation of the new medium-term plans are the theme of the day of the League of Communists and of other sociopolitical organizations. There is a high level of activity, which has already yielded some results, but these results are insufficient. It has been noted that activists are not always endowed with the best knowledge of the situation and of some of the systemic laws. This is why a positive assessment was voiced of the practice followed by some of the Central Committee in sending its members into work organizations, among the workers, in order to give them genuine and timely information on the internal and external economic situations, because, there is no need to keep repeating, being properly informed is a prerequisite for good work.

TRADE UNIONS CRITICIZED FOR LACK OF HELP TO WORKERS

AU161840 Belgrade Domestic Service in Serbo-Croatian 1800 GMT 15 Oct 80

[Zoran Baskovic report]

[Text] From the work of the Confederation of Trade Unions: With increasing frequency workers are addressing their complaints to the Presidium of the Council of the Confederation of Trade Unions of Yugoslavia [CTUY], requesting its assistance in protecting their self-managing rights. The increase in the number of workers sending in their complaints can be interpreted as an expression of the workers' confidence in the trade union organization, but at the same time that increase also calls attention to the difficulties encountered in the protection of personnal self-managing rights. This was stated today at the session of the Presidium of the Council of the CTUY which was attended by our correspondent, Zoran Vaskovic, who reports:

It must be immediately stated that in most cases workers have been right. This is shown by the fact that, following the interventions by the appropriate service of the Council of the CTUY, three-fourths of the total number of complaints have been resolved to the benefit of workers. Unjustified complaints often result from insufficient information and there have also been some unrealistic demands.

It must be pointed out that in this sphere the trade unions have been insufficiently engaged at the level of their basic organizations. Very few trade union organizations in the individual working collectives have worked out the necessary procedures for dealing with complaints or formed the appropriate bodies to assist workers. Sefcet Jasari, member of the Presidium of the Council, said the following in this connection:

[Begin Jasari recording] The trade union organizations have failed to make sufficient efforts jointly with the self-managing organs to help workers win their rights wherever the rights have been denied to them. And there have also been quite a few occurrences of alliance between the leadership against which the worker lodges a complaint and the leadership of the trade union organization concerned; that is, more precisely the president of the basic trade union organization. [end recording]

In some individual communities the workers who complain are also considered criticizers and therefore they are not accorded the necessary assistance. It is true that there are some individuals who find it hard to find a common language with their community and who are inclined to criticize everything and to frequently complain. They also know how to magnify individual problems, and such actions of theirs justifiably provoke the opposition of the community in which they work. However, it must be noted in this connection that the Council of the CTUY has received only a small number of complaints from such individuals.

In any event, the workers' complaints should not bypass the basic trade union organizations. The worker must first of all obtain in his own collective exact information on the phenomena and the problems in which he is directly interested. In the same manner he must also feel the support of his trade union organization whenever his self-managing rights are endangered.

BRIEFS

NEW AMBASSADOR TO MALI--Belgrade, 25 Sep (TANGJUG)--Ovijetin Mijatovic, president of the SFRY Presidency, has received Aleksandar Psoncak, newly appointed SFRY ambassador extraordinary and plenipotentiary to the Republic of Mali and heretofore counselor to the SFRY Presidency, prior to the latter's departure to take up his new post. [Text] [Belgrade BORBA in Serbo-Croatian 26 Sep 80 p 7 AU]

NEW AMBASSADOR TO UGANDA--By decree of the SFRY Presidency, Ranko Balorda, heretofore president of the managing board of the Jugokomerc work organization of Sarajevo, was appointed SFRY ambassador extraordinary and plenipotentiary to the Republic of Uganda. [Text] [Belgrade POLITIKA in Serbo-Croatian 27 Sep 80 p 2 AU] Cvijetin Mijatovic, president of the SFRY Presidency, has received the newly appointed SFRY ambassador extraordinary and plenipotentiary to the Republic of Uganda, Ranko Balorda, prior to his departure to take up this duty. [Belgrade TANJUG Domestic Service in Serbo-Croatian 0959 GMT 15 Oct 80 LD]